Special Inspector General for Iraq Reconstruction

Quarterly Report and Semiannual Report to the United States Congress

[January 30, 2009]

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MESSAGE FROM THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

The Office of the Special Inspector General for Iraq Reconstruction (SIGIR) provides oversight of all appropriations, obligations, and expenditures associated with relief, reconstruction, and rehabilitation activities in Iraq. Since 2004, SIGIR has produced 20 Quarterly Reports to the Congress (including this one), 135 audits, 141 inspections, and 4 lessons-learned reports. SIGIR's oversight work has saved or recovered more than $81 million in U.S. taxpayer funds and has put $224 million to better use.

This 20th Quarterly Report appears virtually upon the anniversary of my appointment as Inspector General five years ago and precedes by two days the release of *Hard Lessons: The Iraq Reconstruction Experience*, which completes SIGIR's Lessons Learned Initiative. Taken together, these two new reports provide a comprehensive and coherent picture of both the course and the current state of Iraq reconstruction. The full text of *Hard Lessons* will be available on SIGIR's website, www.sigir.mil.

As Section 1 of this Report observes, Iraq is entering a new era, embodied by a number of important changes:
- new elections—local, provincial, and national—that will change the face of Iraq's government
- new leadership for the U.S. reconstruction program, with the approaching appointment of a new U.S. Ambassador to Iraq
- a new level of sovereignty for the Iraqi government effected by the new U.S.-Iraq Security Agreement
- a new Administration in Washington, bringing new policies that will shape the continuing U.S. commitment to Iraq
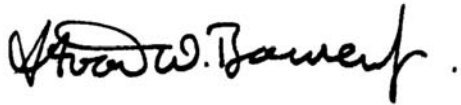
Section 1 also applies recommendations from SIGIR's *Hard Lessons* report to the current reconstruction program and provides important insights on Iraq reconstruction in 2009 through interviews with Ambassador Ryan Crocker, General Raymond Odierno, and Minister of Planning Ali Baban.

In November 2008, I made my 21st trip to Iraq, and it proved, in many respects, to be the best to date. Traveling with a SIGIR inspection team to see the new Anbar Rule of Law Complex in Ramadi, I was pleased to find a good project nearing completion. Part 4 of this Report contains a detailed summary of SIGIR's assessment of this justice center. Also notable during our visit was the absence of any violence, a salutary sign in a place formerly plagued by lethal insurgent activity. A visit to the provincial reconstruction team in Hilla, about a 40-minute helicopter flight southwest of Baghdad, revealed progress exemplifying the positive findings contained in a new SIGIR audit of the Provincial Reconstruction Team (PRT) program. The Hilla PRT—like each of the PRTs that SIGIR auditors visited this quarter—has achieved demonstrable progress in its many capacity-building initiatives. Finally, our SIGIR Baghdad team journeyed just west of the capital to an open-air market in Abu Ghraib to review the effects of Commander's Emergency Response Program (CERP) grants on local commerce. Traveling with Brigadier General Robin Swan, Deputy Commander of the Multi-National Division-Baghdad, we found the Jameela Market bustling with many new businesses freshly painted and refurbished by CERP grants.

SIGIR's audits and inspections this quarter provide continuing insight into the latest developments of the U.S. program in Iraq, including:

- a focused contract review of the KBR oil contract for work in southern Iraq, finding that poor government oversight and high contractor overhead costs led to significant waste of taxpayer dollars
- an audit of the State Department's Quick Response Fund, underscoring the need to develop better metrics for measuring outcomes of QRF-supported programs and projects
- a re-inspection of the Baghdad Police College, finding that maintenance problems and vandalism continue to burden the project
- an inspection assessment of two completed Primary Healthcare Centers, reporting a number of construction deficiencies, although both clinics were serving patients

Ambassador Crocker recently requested that SIGIR provide four more investigators in country—a request with which SIGIR is pleased to comply; that new contingent will arrive in Iraq this quarter to supplement the six investigative staff already there. In addition, SIGIR will produce reports this quarter on, among other things, the Basrah Children's Hospital and the U.S.-Iraqi asset-transfer process. I look forward to departing soon for Iraq to continue SIGIR's oversight work alongside the 35 auditors, inspectors, and investigators now carrying out our mission to protect taxpayer dollars in Baghdad and beyond.

Stuart W. Bowen, Jr.
Special Inspector General for Iraq Reconstruction

SIGIR Summary of Performance
As of January 30, 2009

AUDITS

Reports Issued	135
Recommendations Issued	358
Dollars Saved and Recovered	$81,600,000
Dollars Put to Better Use	$224,720,000
Challenged Payments	$14,930,000

INSPECTIONS

Project Assessments Issued	141
Limited On-site Assessments Issued	96
Aerial Assessments	695

INVESTIGATIONS

Investigations Initiated	394
Investigations Closed or Referred	322
Open Investigations	72
Arrests	20
Indictments	19
Convictions	14
Court-ordered Restitution/Forfeiture	$17,414,000

HOTLINE CONTACTS AS OF DECEMBER 31, 2008

Fax	18
Telephone	75
Walk-in	110
E-mail	335
Referrals	26
Mail	28
SIGIR Website	107
Total Hotline Contacts	**699**

NON-AUDIT PRODUCTS

Congressional Testimony	26
Lessons Learned Reports Issued	3

List of Appendices*

*The complete version of this SIGIR Quarterly Report is available on the SIGIR website: **www.sigir.mil**. It is the official version of the Report, containing all appendices and corrections.

Dahuk

Ninewa

Erbil

Tameem

Sulaymaniyah

Salah Al-Din

Diyala

Baghdad

Anbar

Kerbala

Babylon

Wassit

Qadissiya

Missan

Najaf

Thi-Qar

Muthanna

Basrah

SIGIR
OBSERVATIONS

SECTION

1

IRAQ RECONSTRUCTION 2009: A NEW ERA BEGINS

This year will bring change in Iraq that will fundamentally affect every aspect of the reconstruction program. This change began on January 1 when the Security Agreement and the Strategic Framework Agreement became effective, redefining the bilateral relationship between Iraq and the United States. The turn-of-the-year transfer of the International Zone to Government of Iraq (GOI) control symbolized the new era that has begun to unfold in U.S.-Iraqi relations. As this new era begins, several salient challenges confront the reconstruction program.

This section provides insight into these challenges. It begins by applying some of the hard lessons learned from the Iraq reconstruction experience to the evolving U.S. aid program of 2009. Then follow three interviews with top reconstruction leaders—Ambassador Ryan Crocker, General Raymond Odierno, and Minister of Planning Ali Ghalib Baban—shedding light on the way forward. The section also provides an update on the political and economic situations in Iraq, the status of ongoing U.S. reconstruction efforts, and a summary of SIGIR audits, inspections, and investigations accomplished this quarter.

APPLYING *HARD LESSONS* TO IRAQ RECONSTRUCTION IN 2009

On February 2, 2009, SIGIR will release the capping report of its Lessons Learned Initiative before the Commission on Wartime Contracting in Iraq and Afghanistan. *Hard Lessons: The Iraq Reconstruction Experience* reviews in detail the U.S. reconstruction program in Iraq as it evolved since 2003, providing 13 lessons for current and future contingency relief and reconstruction operations.

Five specific insights from *Hard Lessons* apply to the U.S. reconstruction mission in Iraq today:

- **Re-evaluating Personnel and Policy.** In February 2009, Ambassador Ryan Crocker will conclude his two-year tour as the U.S. Ambassador to Iraq. The new Administration will be called on to articulate firmly Iraq reconstruction policy for 2009 and thereby avert any gaps in program direction. Promptly appointing a new Ambassador who expresses the Administration's Iraq reconstruction policies and budgetary priorities—and providing that new Ambassador with a strong and experienced staff—will foster the continuation of the progress achieved by Ambassador Crocker.
- **Shaping a New Reconstruction Management Structure.** With the emergence of a new normalcy in Iraq, the time has come for the United States to cease managing reconstruction efforts through ad hoc bureaucracies staffed by temporary workers. The Departments of State and Defense (DoS and

DoD) should re-evaluate reconstruction needs regarding personnel and resources through a new joint strategic plan, eliminating excesses and redundancies, and integrating operations to achieve unity of effort. New staffing and funding levels should reflect the growing reality that the GOI bears responsibility for virtually all new "brick and mortar" reconstruction projects. This new evolution in structure will require personnel with skill sets differing from those that were needed for the hard construction phase of the Iraq program.

- **Continuing Improvement of Civil-Military Integration.** SIGIR's oversight reports underscore the need for closer coordination among the U.S. agencies involved in Iraq reconstruction, especially DoS, DoD, and the U.S. Agency for International Development (USAID). The program made significant progress on this front over the past two years by moving the mission toward an important operational goal: a fully integrated civil-military management structure for contingency relief and reconstruction operations.

The "soft power" side of the reconstruction program now predominates, and the United States will administer such soft programs in Iraq for years to come, with USAID spearheading these efforts. Despite the prevailing soft program emphasis, the Commander's Emergency Response Program (CERP) still

provides funding for "hard" construction efforts in Iraq; U.S. Army brigades oversee the execution of these projects to meet immediate needs in their areas of operation. Better integration of CERP hard projects with USAID soft programs requires a management innovation that goes beyond good relations between the Multi-National Force-Iraq (MNF-I) Commanding General and the U.S. Ambassador.

- **Strengthening Security Management.** To conduct reconstruction operations in a difficult security environment, civilian specialists must be able to move about freely. The 2007 surge brought many much-needed improvements in security across Iraq, enabling more freedom of movement. In 2009, as the U.S. military continues to draw down in Iraq, the task of ensuring the safety of those carrying out development programs will increasingly fall to private security contractors. The new U.S.-Iraq Security Agreement (SA) limits the capacities of these contractors to operate by waiving immunity for these (and all other) contractors in Iraq. The new Ambassador must work with the USAID Mission Director and the MNF-I Commander to assess how the SA will affect the scope of reconstruction operations across Iraq in 2009, particularly with respect to security. Achieving an optimal

reconstruction tempo will require innovative integration among agencies and between the government and contractors.

- **Completing the Handoff.** The Government of Iraq is fully sovereign and increasingly capable of effectively exercising its governance powers—politically, militarily, and economically. Despite these functional improvements, Iraq's security forces still substantially rely on the United States to assist them in a wide array of activities, including logistics, border security, equipping, and training. But this continuing assistance will rapidly draw down in 2009 as the Iraq Security Forces Fund (ISFF)—the largest U.S. account still operative in Iraq—is expended. As the United States hands over these functions, in part through the Provincial Iraqi Control process, the GOI must ensure that it is ready to fully bear its new security responsibilities and does not tacitly view the U.S. strategic overwatch posture as a safety net—militarily or economically.

2009 presents new opportunities for the United States to build on the incremental reconstruction progress achieved in Iraq over the past two years. Sustaining this progress—especially in the security sector—is a prerequisite for Iraq to move from its new normalcy to a reasonably settled state of affairs.

LEADERSHIP LOOK-AHEAD: THREE VIEWS

AMBASSADOR CROCKER
ON RECONSTRUCTION IN 2009

Ambassador Ryan Crocker has led the U.S. Mission in Iraq since March 2007, including oversight of all U.S.-funded reconstruction and development efforts across the country. He concludes two years of service as Ambassador to Iraq in February 2009.

U.S. Ambassador to Iraq Ryan Crocker, Iraqi President Jalal Talabani, and Deputy Secretary of State John D. Negroponte at the dedication ceremony of the new U.S. Embassy in Baghdad on January 5, 2009. (DoS photo)

passage of the Security Agreement and the Strategic Framework Agreement. We are still working our way through these issues and have just started to begin implementation. There will be challenges, but [the Agreements] do redefine U.S.-Iraqi relations.

SIGIR: What have been the key shifts in U.S. policy during your tenure as Ambassador?

AMB Crocker: In fall 2007, after the testimony by General Petraeus and myself, there was a change. It was like the letting out of a long-held breath. I'm not sure if it was the hearing itself, but after that point the focus on Iraq by the Congress and others changed from a preoccupation with benchmarks. We became less minutely focused and started taking a longer, more nuanced view of Iraq. Security was improving, and there was a change in the policy environment. The second shift happened at the end of 2008 with the

SIGIR: What should be Iraq's top focus in 2009?

AMB Crocker: The stakes remain high in Iraq. What happens here [in Baghdad] affects security in Iraq, the region, and the international community. Things are tracking reasonably well. We need to ensure we are positioned to support the positive Iraqi trends while we are still drawing down our forces. We need a measured approach that ensures sustainment of the U.S. investment.

SIGIR: What is your view on the need for continued reconstruction and development funding in 2009?

AMB Crocker: In the case of reconstruction, we are transitioning away. It has to be an Iraqi response. We should continue to fund programs at the provincial and local levels. The newly elected [provincial] councils will need our support. We also need to protect the U.S. investments through funding for operations and maintenance [O&M] needs. We have to be sure there is a bridge. Governance, institutional development, and capacity programs [will be key]. Some of the most important sectors are health reform and educational reform. It is not about us building schools and hospitals anymore. I think relatively small inputs to help Iraqis on policy reforms can pay substantial dividends later. The whole focus has been, and is, shifting from major reconstruction into helping with governance, helping with capacity, helping with policy reform, and protecting investments through O&M funding.

SIGIR: What was your toughest moment in this job?

AMB Crocker: I would say the toughest moments have always been when we've taken losses—the loss of American lives. We have had some casualties lately. They are way down now, but we still have them, and I still feel them, as we all do. We've had some very bad days in the course of my two years here. That, more than anything else, has weighed heavily on me.

SIGIR: What has been your most rewarding moment?

AMB Crocker: I'll give you two answers to that; the first is simply the continuum of where things were when I got here, and where things are as I prepare to leave. I by no means claim credit for all, much, or even any of it, but to look back again, what was happening the first few days I was here and how things look now (knock on wood), it does give me a certain sense of satisfaction that we helped the Iraqis get to a better place. [Second,] a single moment was watching the televised proceedings on the 27th of November 2008 when the vast majority of the [parliamentary] Deputies present, of all political blocks Sunnis, Shia, and Kurds, voted to ratify the two agreements [the SA and the SFA].

GENERAL ODEIRNO LOOKS AHEAD

On September 26, 2008, General Raymond Odierno assumed command of MNF-I. He previously served in Iraq as the Commanding General of the Fourth Infantry Division (Mechanized) and then a Commanding General of the Multi-National Corps-Iraq (MNC-I).

General Odierno meets with the SIGIR.

programs. What I mean by that is, a project should be tied to a program. We are no longer only building projects, but building projects that are tied into programs that can be sustained over a long period of time.

SIGIR: What is your vision for the reconstruction program as the Commanding General of MNF-I?

GEN Odierno: Two basic principles. One, any money we spend must be tied to Iraqi spending and should be on a ratio of three to one. Three dollars of Iraqi money to every one dollar of U.S. money. Our money should never be spent by itself anymore. The second principle is that we need to stop building projects and start building

SIGIR: Can you give examples of each of those?

GEN Odierno: First, last year we got [from the Iraqis] $270 million in Iraq-Commander's Emergency Response Program [I-CERP] funds. We spent that first and turned back [U.S.-funded] Commander's Emergency Response Program money at the end of the year because we had used I-CERP money. As for the Iraqi Security Forces, in 2008 the ratio of expenditures was 60:40, Iraqi money to U.S. money. In 2009, the ratio will be around 70:30.

SIGIR: On the second element, the Iraqi dollar-for-dollar matching of U.S. funds?

GEN Odierno: One program we have is the Civil Service Corps Program. There, we are spending both U.S. and Iraqi funds. And we are also doing some programs to develop workers' skills—such as plumbing and electricity—where they go through vocational training. Through the Iraqi First program, we are also using contracting mechanisms to give skilled Iraqis an advantage in winning contracts.

SIGIR: Three areas: Sons of Iraq (SOI). Where are we? Two, budget execution. How is it looking for 2008? Three, corruption. It has been a challenge all along. What are your thoughts?

GEN Odierno: First, the SOI program is progressing nicely. We have transferred payment of all SOI in Baghdad [to the GOI] on time. We transitioned 51,000 [in November] . . . It's gone very well. The key piece we are focused on for 2009 is getting them permanent employment. In terms of spending, 2008 budget execution is much better than it was in 2007, but they will not be at full budget execution. They are still not able to properly execute their budget, but it will be better than 2007. They will be using IFMIS [Iraq Financial Management Information System], which they realize is a good tool to use. I am still disappointed in the Ministries of Oil and Electricity and their ability to spend their money. Corruption is still a huge problem across the board. We just arrested two more people at the Baiji oil refinery who were involved in corruption. I think the Iraqis understand they have a problem, and they are going after the problem, but it will take quite a long time to solve it.

SIGIR: The collapse of oil prices will fundamentally shape Iraq's capacity to continue its reconstruction in 2009. How is that going to affect your planning?

GEN Odierno: I am worried about their priorities. I believe one of their priorities should be the energy sector—specifically, electricity. Whether they will prioritize that way or not, I don't know. They are going to have to prioritize though, because the International Monetary Fund is going to limit how much of a deficit they can have. The drop in oil prices is going to affect the budget. The other thing I'm being told is they are not going to pull back on the raises for government employees. They are going to continue to move forward on the raises.

SIGIR: Any further thoughts about reconstruction in 2009?

GEN Odierno: I think we are doing a lot better today than we were a couple years ago. Civil-military integration has made a huge difference, from the brigade level up to the Embassy/MNF-I level. I think that integration has made a huge difference in moving forward with reconstruction. It just took us a while to learn the lessons.

AN IRAQI PERSPECTIVE ON RECONSTRUCTION

Minister of Planning Ali Baban is responsible for developing Iraq's strategic plans for the reconstruction and development of Iraq.

Ali Ghalib Baban. (Iraq MOP photo)

SIGIR: What are Iraq's plans for reconstruction in 2009, and what do you expect the United States to do in conjunction with those plans?

Minister Baban: When we talk about reconstruction, we should talk about the budget. There is very limited foreign investment and a very limited private sector. Iraq is not like other countries. [Government] spending in this country means everything. Our capital budget is divided in two main parts—the current expenditures and the capital budget. Unfortunately, current expenditures now [encompass] about 80% of budget allocations and the remaining amount [20%] is for the capital budget. The Ministry of Planning is not satisfied about allocation of the capital budget. We think this amount of money is not sufficient for the country, especially in this period of high unemployment.

SIGIR: What is the unemployment rate?

Minister Baban: About 35-40%. The agricultural and industrial sectors are in bad situations. But the country also needs services and, of course, security.

SIGIR: Of the money dedicated to capital expenditures, how is it going to be spent among the sectors?

Minister Baban: For many years, [the GOI] focused on the electricity and oil sectors. The reason is very clear: electricity is needed for everything. For the oil sector, it is the sector that brings in the money. We always focus on those two sectors. Because of the shortage of clean water in Iraq and suffering of the people, we allocate significant amount of money for that sector as well.

SIGIR: How would you describe the current condition of the electricity sector and the oil sector?

Minister Baban: In the oil sector, the export capacity is limited. The Ministry of Oil recently announced the first round of licensing for [foreign] oil companies. Of course, I have some fears that the current situation in [the international] oil market may affect us in some way. For

the electricity sector, there are many projects under construction . . .but we will not be able to take [advantage of] the fruits of these projects soon. In time, we will pass this crisis, but not in a short time.

SIGIR: Besides the budget problem, which is the biggest challenge you're facing in your planning effort?

Minister Baban: I describe our situation now as the moment of facing the truth. For three or four decades, we thought that Iraq could depend on oil revenue entirely. Now, we face the truth that we cannot go forward with that. We should depend on the agriculture sector, which is very rich. There is also potential for industrial projects, which could be successful. We have many sources of money for the Iraqi budget; unfortunately, the strategy of the last three decades has been to depend on oil revenue. Maybe this year we will face the consequences of the decline in oil prices. It will be a very painful situation.

SIGIR: What should be done about state-owned enterprises?

Minister Baban: I think it is very easy for the industrial sector to privatize. We can privatize it, and it would be successful and profitable. No need at all for government to intervene in those sectors. The government can be a partner [in other areas of the economy] and some services could be mixed, like education and health. The oil sector and the electricity sector should also be privatized, in our point of view. All of those sectors could be privatized.

SIGIR: How would you describe the problem of corruption within the Government of Iraq?

Minister Baban: It is very dangerous. It hurts our imports. I think the remedy would not come from any government procedure or control; it should come from full privatization. The private sector can deal with this by itself. There is no remedy for [corruption] except privatization. I think the government has failed to defeat corruption. I suspect it will succeed in the future. But, for now, it is the usual practice everywhere in the government.

SECURITY AGREEMENT AND STRATEGIC FRAMEWORK AGREEMENT TAKE EFFECT

The new Security Agreement, implemented on January 1, 2009, changes the way reconstruction will be carried out in Iraq. The SA (formerly referred to as the Status of Forces Agreement or SOFA) supplants UN Security Council Resolution 1511 (2003) as the legal basis for the continuing U.S. military presence in Iraq, defining the terms under which U.S. forces can operate in the country over the next three years.

The SA provides that:

- All U.S. military operations must be carried out with GOI agreement and coordinated with Iraqi authorities.
- U.S. forces cannot detain or arrest an Iraqi except in accord with the laws of Iraq. Similarly, U.S. forces cannot search an Iraqi home unless they possess a valid warrant, except in the context of combat operations.[1]
- U.S. forces personnel who commit felonies outside U.S. bases while off-duty are subject to prosecution under the laws of Iraq.
- All U.S. military forces shall depart from Iraq's cities, villages, and localities no later than June 30, 2009. (This provision appears to be subject to some interpretive discretion as evidenced by recent statements that U.S. forces involved in training and mentoring missions will remain in urban security stations to support the Iraqi Security Forces beyond the June 30 deadline.)[2]
- All U.S. military forces shall depart Iraq by December 31, 2011, unless the GOI requests their earlier departure or their continued presence beyond that date.

The SA provides that "Iraq shall have the primary right to exercise jurisdiction over United States contractors and United States contractor employees."[3] A year ago, SIGIR reported that such a provision could reduce the U.S. contractor presence in Iraq. The waiver of the immunities that contractors enjoyed in Iraq since 2003 certainly will lead some to view the risks of continuing operations in Iraq as too high, and they will depart, but no "contractor exodus" appears imminent. Preliminary indications in January point to little change in the size of the U.S. contractor presence. This may be due, in part, to the fact that Iraq has yet to implement the rules effectuating the SA's immunity waiver.

Iraq's Minister of Interior has established a committee to determine how the SA will operate in practice. This committee is developing rules to govern the SA's application to, among other things, the following: the licensing of security contractors; the registration of firearms, pilots, aircraft, and vehicles; the imposition of customs duties, tariffs, and taxes; and the procedures for U.S. government and contractor personnel

transiting Iraq. Until the Ministry of Interior adopts the new rules, "no legal action will be taken against U.S. Government affiliated contractor personnel" on alleged misconduct

falling within these categories.[4] Of note, Iraq will hold a national referendum on the SA in mid-2009.

2009: A YEAR OF NEW ELECTIONS

The coming year will bring new elections that will significantly change the face of Iraqi power.

Provincial Elections

Iraq scheduled provincial elections for January 31, 2009, in 14 of Iraq's 18 provinces. Residents of Kurdistan (the provinces of Erbil, Sulaymaniyah, and Dahuk) will vote later this spring. Tameem will hold provincial elections later in 2009 because of a highly volatile situation arising from tensions among Kurds, Arabs, and Turkomen living in and around the provincial capital of Kirkuk.

These long-pending and important provincial elections should redress many of the political imbalances caused by the Sunni boycott of the 2005 provincial elections. The elections previously had been scheduled for September 2006, but it took the passage of the new Provincial Elections Law in September 2008 to force them finally to occur.

Preparing for Provincial Elections

Logistical preparations for the provincial elections unfolded relatively smoothly. Ballots and voting machines were ordered on time, candidate registration occurred without significant difficulty, and voter registration proceeded in an

orderly fashion.[5]

Approximately 14,500 candidates vied for about 560 seats among the 14 provinces, with voting scheduled to occur at 6,066 polling centers.[6] DoS and the United Nations provided funding to train 20,000 Iraqi poll watchers. A small group of international observers was to monitor the elections.

The Effects of Provincial Elections

The new elections will change the operating environment in Iraq in several ways. First and foremost, by producing new democratically elected Provincial Councils, the 2008 Provincial Powers Law will come into full effect. This law permits councils to influence the selection and retention of ministerial directors general who operate in the provinces on behalf of Iraq's ministries. The councils will also select provincial governors and will have a say in the selection of police chiefs in their provinces. These important governance changes, foreshadowed by Coalition Provisional Authority orders of five years ago, finally will effect a meaningful decentralization of political power from Baghdad, marking a firm break from remaining vestiges of Saddamist centralization.

More Elections

Iraq's political future will be further shaped by other elections scheduled for 2009:

- In December 2009 (or early 2010), Iraq will conduct its first parliamentary elections since December 2005. This will be the first real electoral test for the Maliki government.
- Municipal and county elections across Iraq will be held by the end of July.
- A national referendum on the new Security Agreement will take place in July.

In previous reports, SIGIR noted the significance of the Regions Law. Pursuant to its provisions, any province or group of provinces can form a federal region after a vote in favor of regionalization via referendum. To date, Kurdistan is the only constitutionally recognized region in Iraq. This quarter, supporters of regionalization in the Shia province of Basrah attempted to collect the requisite number of signatures need to hold a referendum on regionalization, but the effort failed.

SECURITY

Although significant challenges remain, this quarter saw the United States and the GOI make further progress toward establishing a more stable Iraq.

The Post-Surge Environment

As Figure 1.1 reveals, attack levels in 2008 dropped to their lowest levels since 2003, with fewer insurgent attacks in November than in any month since the U.S. invasion.[7] Notwithstanding this positive trend, the United States will maintain a relatively robust force in Iraq for 2009 to ensure that the Iraqis have "the right capability to handle the insurgent activity when we leave."[8]

FIGURE 1.1

SECURITY INCIDENTS
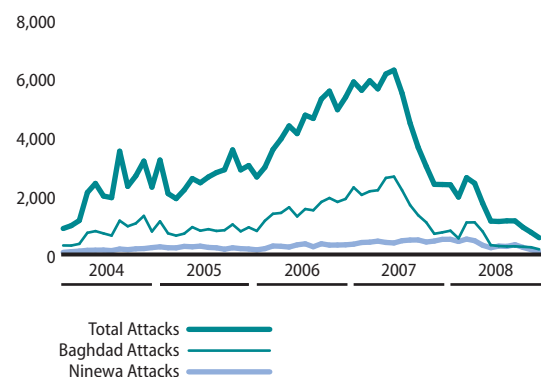
- Total Attacks
- Baghdad Attacks
- Ninewa Attacks

Source: OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.

Integration of the Sons of Iraq into the Iraqi Security Forces

As additional U.S. troops surged to Baghdad and Anbar in 2007, U.S. commanders began to hire former Sunni insurgents, charging them to help keep the peace in their communities. Designated the Sons of Iraq (SOI), they numbered 99,000 by 2008; most were paid with U.S. CERP funds. In mid-2008, the MNF-I began transferring responsibility for SOIs to Iraqi control.[9] As of January 1, 2009, the GOI managed approximately 76% of all SOIs. Concerns remain regarding the ability and will of the Shia-led GOI to absorb or pension off the SOI.

Provincial Iraqi Control— Babylon and Wassit

This quarter, 2 more of Iraq's 18 provinces transitioned to Provincial Iraqi Control, leaving just 5 left to PIC. On October 23, 2008, Babylon became the 12th province to transition to PIC,

and Wassit followed 6 days later. Current U.S. plans call for Salah Al-Din and Tameem provinces to PIC in early 2009.[10]

Coalition Partners Pull Back

Since 2003, more than 40 countries deployed military personnel to Iraq in a combat, reconstruction, or training capacity. Most have since withdrawn their forces or civilian personnel. Poland recently announced its intention to withdraw all its troops from Iraq. And El Salvador removed its last military units from Kut on January 22, 2009, reducing the number of Coalition partners still with military forces in Iraq to four.[11]

In January 2009, the United Kingdom turned over its base near the Basrah airport to the ISF. By summer 2009, the Coalition PRTs in Basrah and Erbil will have transitioned to U.S. control as the UK and South Korea withdraw reconstruction personnel.

U.S. RECONSTRUCTION UPDATE

The Congress has appropriated $51.01 billion for reconstruction efforts in Iraq and, as of January 1, 2009, the U.S. had obligated $41.42 billion and expended $36.58 billion.[12] These funds flow through 33 separate accounts, but 4 major funds predominate: the Iraq Relief and Reconstruction Fund (IRRF), the Iraq Security Forces Fund (ISFF), the Economic Support Fund (ESF), and CERP.

Amounts Remaining for Obligation

On September 30, 2008, the authority for obligating any remaining funds under the IRRF 2 expired, although more than 40 large IRRF 2

projects remain ongoing. In 2009, $3.37 billion of ISFF funds remain to be obligated.[13] Of the three major U.S. funds, $3.90 billion remains for obligation to new contracts. For an overview of balances that remain for obligation, see Figure 1.2.

Oil and Electricity

Iraq's crude oil production this quarter averaged 2.37 million barrels per day (MBPD), a 4% drop from last quarter.[14] Iraq oil exports increased slightly this quarter, averaging 1.79 million MBPD,[15] but a decline in oil prices depressed the economic impact of this export increase. See Section 2 for more details.

Electricity generation reached a new record this quarter, averaging 4,997 megawatts (MW) per day.[16] The Ministry of Electricity also progressed on several large new power generation projects, including a $3 billion purchase of GE generators.[17] SIGIR continues to underscore the importance of properly maintaining U.S.-funded electricity projects.[18]

FIGURE 1.2

UNOBLIGATED MAJOR U.S. FUNDS
$ Billions, $3.90 Total
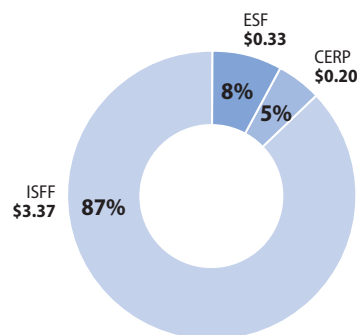
Note: Numbers affected by rounding. Figures do not include funds from prior to FY 2007 that have expired.

Sources: ISFF: OSD, response to SIGIR data call, 1/12/2009. ESF: DoS, response to SIGIR data call, 10/14/2007; USAID, response to SIGIR data call, 1/8/2009; ITAO, responses to SIGIR data call, 10/2/2008, 10/14/2008, and 1/15/2009; GRD, response to SIGIR data call 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009. CERP: OSD, response to SIGIR data call, 1/12/2009; P.L. 109-234, P.L. 109-289, P.L. 110-28, P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-161, P.L. 110-252.

ECONOMY AND BUDGET

The vast majority of Iraq's government revenue is derived from the export of oil. Precipitous dips in the world price of oil can profoundly affect the GOI's budget. See Figure 1.3.

Impact of Oil Price Decline

In July 2008, world oil prices exceeded $134 per barrel, and Iraq was enjoying an oil revenue windfall.[19] But during the latter half of 2008, a dramatic decline in oil prices forced the GOI to revise downward its projected 2009 budget several times. In January 2009, the Council of Ministers submitted a $59.5 billion draft budget, assuming a $50 price per barrel.[20]

The GOI budget revisions reduced funding for planned reconstruction in Iraq. Deputy Prime Minister Salih recently observed that current trends in oil prices will continue to cause severe financial problems for the GOI, impairing the capacity of its reconstruction program.[21]

Concerns continue to increase regarding Iraq's oil infrastructure, especially in the oil-rich south. Years of poor maintenance threaten two underwater oil pipelines that transport crude oil to the Al Basrah Offshore Terminal. Without significant Iraqi investment to repair and upgrade these pipelines, they could fail, dramatically reducing exports in 2009 and reducing Iraq's national income.

Operational and administrative costs will consume about 80% of Iraq's 2009 budget, up from 74% of the 2008 budget. This increase stems primarily from higher government

GOI PROJECTED PRICE OF OIL VS. ACTUAL PRICE OF OIL, PER BARREL IN 2008

Price of Oil (Dollars per Barrel)

Projected Oil Price Used to Calculate GOI Draft Budgets
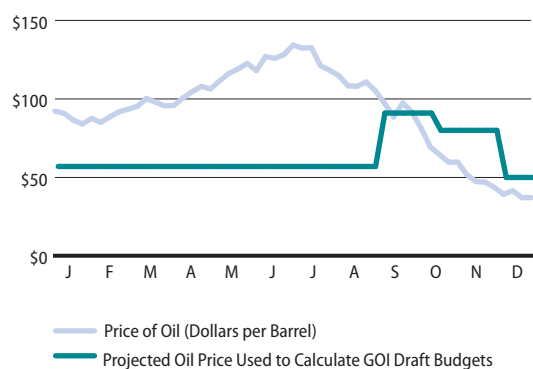
Source: U.S. Treasury, response to SIGIR data call, 12/31/2008; IMF, "IMF Executive Board Completes First Review of Iraq's Stand-By Arrangement," Press Release No. 08/199, 9/3/2008; U.S. Treasury, response to SIGIR data call, 1/4/2008; U.S. Energy Information Administration, *Weekly Iraq Kirkuk Netback Price at U.S. Gulf*, 12/31/2008, www.eia.doe.gov, accessed 1/5/2009.

salaries, which comprise approximately 35% of the GOI's budget. Given the budgetary weight toward governmental costs, the GOI will spend only 20% of its 2009 budget on capital improvements.[22]

International Debt and Sanctions

On December 17, 2008, the Paris Club, an international forum of 19 wealthy nations that negotiate the debt repayment terms of debtor nations, reduced the GOI's international debt for the third time in five years. Iraq originally owed the Paris Club creditors nearly $50 billion. Three

rounds of reductions have brought that figure down to $7.6 billion, a debt-forgiveness rate of more than 80%.[23]

In December 2008, Iraq asked for and the UN Security Council granted an extension of the legal protections that have shielded Iraq from international claims lodged against it because of actions taken by Saddam's regime. Most of these claims come from Kuwait, as a result of Saddam's looting of that emirate after his 1990 invasion. The United States supported Iraq's request for the renewal of these protections because a flood of new claims could drain the country's treasury, threatening the reconstruction effort.[24]

ANTICORRUPTION

As the Minister of Planning told SIGIR this quarter, corruption is worse now in Iraq than it has been since the 2003 invasion, explaining that it afflicts the government at every level. Although the violent insurgency was largely suppressed by the surge, a second insurgency of corrupt officials continues to harm the country. This quarter saw several developments in Iraqi efforts to battle this second insurgency, including:
- the removal of six Iraqi inspectors general (IGs) for their failure to perform
- the Joint Anticorruption Council's continuing effort to forge a sustainable anticorruption strategy for Iraq
- the international community's increasing engagement with the GOI's anticorruption institutions
- the arrival of a new U.S. Anticorruption Coordinator in Baghdad

Iraq's Anticorruption Institutions

Iraq's anticorruption system comprises three agencies: the ministry Inspectors General (IGs); the Board of Supreme Audit (BSA); and the Commission on Integrity (CoI).

The nominally independent IG system operates offices in all of Iraq's ministries or quasi-ministerial entities. The IGs are supposed to function as the first line of defense against corruption. Created by the Coalition Provisional Authority in spring 2004, the IG system mirrors the U.S. federal IG structure. Part of the challenge of inculcating this new system stems from the fact that no other nation in the Middle East has IGs. Performance has also been a problem. Recently, six IGs were removed for their failure to carry out their missions, and two more retired, leaving eight vacancies.[25] As of early January 2009, several vacancies had been filled.

Created by the British over 80 years ago, the BSA is Iraq's chief audit agency. Led by Dr. Abdul Basit, the BSA produces the most reliable work of any of Iraq's anticorruption entities. SIGIR met twice with Dr. Basit this quarter, and he reiterated concerns about corruption in Iraq, expressing particular worry about the weak IG system.

The CoI, a rough analogue to the FBI, was also created by the CPA in 2004 and given a nationwide mandate to investigate allegations of public corruption. However, the CoI does not have arrest authority and must work through investigative judges to bring a suspect to the bar. SIGIR met with Judge Raheem, the Commissioner of the CoI, this quarter. Now in office for about a year, he has yet to be placed before the Council of Representatives for confirmation, leaving him subject to political pressure. Developments in early 2009, however, suggest that the CoI may be securing a valuable new ally in Sunni Vice President Tareq al-Hashemi, who publically called on all GOI institutions to cooperate with the CoI in aggressively combating public corruption, which he described as a threat to the reconstruction of Iraq.[26]

Reforming Anticorruption Laws

This quarter, the GOI's Joint Anti-Corruption Council's (JACC) commenced work on two new initiatives. First, it is leading a new effort to consolidate and update the provisions of Iraq's penal and criminal procedure codes regarding corrupt activities. Second, the JACC is drafting an anticorruption strategy that will articulate a three- to five-year plan for fighting corruption. These initiatives comply with requirements set forth by the UN Convention Against Corruption, which Iraq ratified in spring 2008.

U.S. Anticorruption Efforts

In late December 2008, Ambassador Joseph Stafford, an Arabist with experience in the Middle East, arrived in Iraq to take the post of the Embassy's Anticorruption Coordinator. Ambassador Stafford is the third head of the Embassy's Anticorruption Coordination Office since its creation in early 2008, and the tenth official in charge of U.S. anticorruption efforts in Iraq since 2003—an average leadership tenure of about six months.[27]

International Efforts To Enhance Transparency and Accountability

The World Bank announced that its Public Financial Management Reform Program for 2009 will implement a variety of initiatives in Iraq aimed at improving the transparency of the country's public finances. The program will help the GOI develop a comprehensive budget manual and will attempt to modernize Iraq's archaic accounting procedures. Meanwhile, the UN Development Programme continues to support training activities for the three anticorruption agencies.

SIGIR OVERSIGHT

SIGIR maintains the largest oversight presence in Iraq. With more than 75 years of collective in-country experience, SIGIR's auditors, inspectors, and investigators possess a proven track record of preventing, detecting, and deterring waste, fraud, and abuse in Iraq reconstruction.

Audits

SIGIR's Audit Directorate issued six reports this quarter, bringing to 135 the total number of audit reports issued since 2004.

SIGIR's audits this quarter:

- reviewed the $722.3 million contract awarded in January 2004 to KBR for oil infrastructure work in southern Iraq, finding that, although much was accomplished under the contract, completing the various task orders took much longer than planned, and they were frequently modified, dramatically increasing costs. SIGIR also found a lack of continuity of government oversight personnel and weaknesses in KBR's management control systems.
- examined DoD's program to restart state-owned enterprises in Iraq. SIGIR auditors noted that jobs have been created, but could not verify the number because of problems in the methodology. SIGIR identified several improvements to internal controls that could reduce vulnerabilities to fraud.
- reported on private security contracts awarded to Aegis Defence Services worth nearly $700 million. SIGIR found a well-administered

contract-awards process, effective government oversight of Aegis, and satisfactory-to-outstanding performance of the contract's requirements. The report recommended ways to improve contract file information.

- analyzed the DoS Quick Response Fund, which was created in 2007 to provide the PRTs with a flexible funding mechanism. SIGIR concluded that, although sound processes have been developed for awarding grants, more work was needed to measure outcomes. SIGIR also found that 62 cents of every QRF dollar may be spent to pay overhead costs of one of USAID's large implementing partners.
- examined U.S. funding for Iraqi Security Forces, focusing on the willingness and capacity of the GOI to assume an ever-increasing share of its security. SIGIR found that the GOI's funding for its security forces increased over the last two years and will outpace U.S. contributions going forward. SIGIR also found that the Multi-National Security Transition Command-Iraq needs to improve its internal documentation of cost-sharing negotiations and arrangements.
- issued a follow-up review of the PRTs' performance measurement process. SIGIR found that the DoS Office of Provincial Affairs (OPA) had developed a proper performance assessment system for evaluating provincial capabilities. But OPA has not consistently required the PRTs to submit work plans identifying how

they will address specific weaknesses identi-fied by the assessment system. During the course of this review, OPA notably improved its procedures for preparing, submitting, and reviewing work plans.

SIGIR broadened its forensic audit efforts this quarter, initiating a special project to review DoD data on appropriations, obligations, and expenditures data from Iraq relief and recon-struction activities for fiscal years 2003-2008. This project looks for fraud by combining auto-mated transaction data review with data-mining techniques to examine expenditure patterns for Iraq reconstruction activities.

Inspections

SIGIR's Inspections Directorate assessed the status of 10 projects at 8 reconstruction sites this quarter. Since 2005, SIGIR has issued a total of 141 project assessments. This quarter's inspec-tions included reviews of the Haditha General Hospital; Heet and Haditha Primary Healthcare Centers; the Al-Iqitadar and Al-Shurhabil Schools; the Anbar Rule of Law/Judicial Complex; Ramadi's 132-kilovolt Substation; and the Baghdad Police College.

SIGIR inspectors found a number of positive signs this quarter. For example, U.S. reconstruc-tion managers continue to seek more input from GOI partners, and more projects are meeting their intended goals. Particularly notable were the effective quality control and quality assurance programs ongoing at the Anbar Rule of Law/Judicial Complex project in Ramadi. Effective

monitoring of the project's progress prevented minor problems from becoming major ones.

Investigations

This quarter, two defendants, apprehended as a result of SIGIR investigations, were convicted after a two-month trial in New Jersey federal district court. They will be sentenced this spring. Nine defendants from other SIGIR cases await sentencing.

Four military officers serving under a Coalition partner were arrested this quarter after a SIGIR investigation into contract award processes associated with CERP-funded projects revealed a fraudulent scheme. Further, SIGIR and Iraq's Ministry of the Interior conducted a joint investigation that resulted in the issuance of an arrest warrant by the Baghdad Central Criminal Court of Iraq for an Iraqi citizen who stole funds from a U.S. Army Civil Affairs Brigade.

SIGIR investigators also discovered that a retired U.S. Army colonel, who had been previ-ously debarred from DoD contracting as the result of a cash smuggling conviction, was in Iraq representing an Iraqi contractor with $67 million in DoD reconstruction contracts. After SIGIR reported these facts, the former Army colonel was terminated by the Iraqi contractor. Finally, a SIGIR investigation prompted the U.S. Army Corps of Engineers to issue demand letters for the return of $11.3 million to three U.S. contrac-tors involved in the reconstruction of Iraq's electricity grid.

THE HUMAN TOLL

On November 29, 2008, 2 Iraqis were killed and 15 injured when a rocket hit near the UN compound in the International Zone. No other significant harm was inflicted by indirect fire in the International Zone this quarter.

The U.S. mission moved to the New Embassy Compound this quarter, providing appreciably more protection to those working in the U.S. Mission than did the Presidential Palace.

Contractors

The Department of Labor (DoL) reported 35 new death claims for civilian contractors working on U.S.-funded projects in Iraq this quarter and 538 contractors who sustained injuries. Since 2003, 1,299 death claims have been filed with DoL.

U.S. Civilians

The State Department reported that two U.S. civilians died in Iraq this quarter—one from a vehicular accident and the other from health problems. Since March 2003, 278 U.S. civilians have died in Iraq.

Journalists

For the first time since March 2003, no journalists were reported killed in Iraq this quarter. Eleven journalists were killed in Iraq in 2008—a sharp decline from the 32 killed in 2007.[28] Nevertheless, for the sixth year in a row, Iraq was the deadliest country in the world for media personnel.

Internally Displaced Persons and Refugees

In the third quarter of 2008, approximately 1,000 Christian families fled Mosul because of the deteriorating security situation. This quarter, the UN reported that nearly half of these families may have returned, after the GOI deployed additional forces to provide security for the population.[29]

U.S. officials reported that a record 13,823 Iraqi refugees were resettled in the United States from October 1, 2007, to October 1, 2008—the most in any year since 2003. An additional 3,004 refugees resettled in the United States from October 1, 2008, to December 24, 2008.[30]

In late December 2008, the GOI held its first conference aimed specifically at luring home Iraqi professionals who fled abroad because of the security situation. Of the 240 expatriates invited to this conference, approximately 200 returned to Iraq, many for the first time in several years. The largest group of participants comprised medical doctors, followed by engineers and scientists.

The attendees recommended that the GOI create a database of skilled Iraqi expatriates who are willing to work with the government to rebuild Iraq.[31] Although this conference represented a positive development, Iraq continues to suffer from a profound shortage of doctors and other medical professionals. According to one source, Iraq needs 100,000 physicians to serve its population of 27.5 million people, but has only approximately 15,500.[32]

IRAQ RECONSTRUCTION FUNDING SOURCES AND USES

SECTION 2

2

SUMMARY OF FUNDS

U.S. Allocations by Category[a]
$ Billions

Category	Amount
Security	$25.28
Infrastructure	$13.00
Governance	$4.17
Economy	$1.44
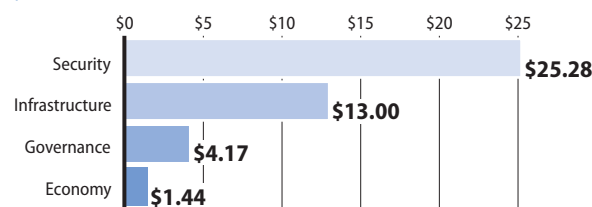
Status of U.S. Funds[b]
$ Billions

Appropriated $51.01

Change Since Last Quarter
- Obligated $41.42 ▲ 1%
- Expended $36.58 ▲ 4%
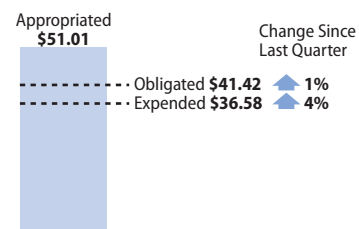
U.S. Support for Iraq Reconstruction[b]
$ Billions

U.S. Fund		Appropriated	Allocated	Obligated	Expended
IRRF	IRRF 1	$2.48	$2.27	$2.26	$2.25
	IRRF 2	$18.39	$18.33	$17.92	$17.35
	IRRF Total	$20.86	$20.60	$20.18	$19.60
ISFF	FY 2005	$5.49	$5.49	$5.37	$5.33
	FY 2006	$3.01	$3.01	$2.85	$2.72
	FY 2007	$5.54	$5.54	$5.52	$3.43
	FY 2008	$3.00	$3.00	$0.65	$0.29
	FY 2009 Bridge	$1.00	—	—	—
	ISFF Total	$18.04	$17.04	$14.39	$11.76
ESF	FY 2003	$0.05	$0.05	$0.05	$0.05
	FY 2006	$1.55	$1.53	$1.39	$1.23
	FY 2007	$1.60	$1.60	$1.41	$0.94
	FY 2008	$0.44	$0.40	$0.40	$0.01
	FY 2009 Bridge	$0.10	—	—	—
	ESF Total	$3.74	$3.58	$3.25	$2.23
CERP	FY 2004	$0.14	$0.14	$0.14	$0.13
	FY 2005	$0.72	$0.69	$0.69	$0.66
	FY 2006	$0.71	$0.69	$0.69	$0.64
	FY 2007	$0.75	$0.74	$0.74	$0.69
	FY 2008	$0.99	$0.99	$0.99	$0.77
	FY 2009 Bridge	$0.29	$0.09	$0.09	$0.01
	CERP Total	$3.59	$3.34	$3.34	$2.90
Other Funding Total		$4.77	$0.35	$0.26	$0.09
Total U.S. Appropriated		$51.01	$44.91	$41.42	$36.58

Funding Sources[c]
$125.96 Billion Total

- International Funding $17.00
- IRRF $20.86
- ISFF $18.04
- ESF $3.74
- CERP $3.59
- Other U.S. Funding $4.77
- Iraqi Funds $57.96
- Total U.S. Funding $51.01
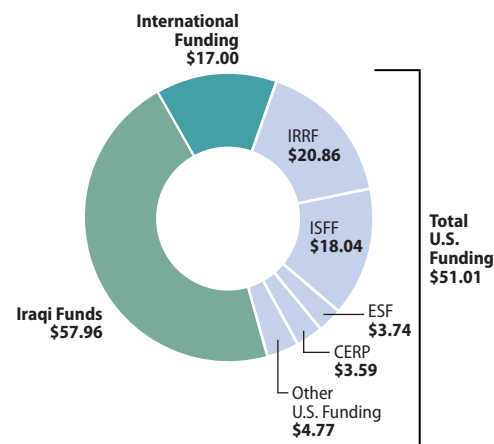
Unobligated Major U.S. Funds[d]
$3.90 Billion

- ESF $0.33 — 8%
- CERP $0.20 — 5%
- ISFF $3.37 — 87%

Note: Numbers affected by rounding.

a For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the Summary of U.S. Funding. SIGIR did not receive current project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 1, IRRF 2, ISFF, ESF, and CERP funding. Total does not include early reconstruction funds for ESF and CERP for which usage by type was not specified. Also, project-level data was derived from the IRMS and therefore is not a comprehensive representation of total CERP funds.
d Figures do not include funds that have expired.

IRAQ RECONSTRUCTION FUNDING

As of December 31, 2008, more than $125 billion had been made available for the reconstruction of Iraq through Iraqi funds, international aid, and U.S. appropriations:

- Iraqi funding: $57.96 billion
- international funding: $17.00 billion
- U.S. funding: $51.01 billion

For an overview of funding by source, see the graphic factsheet on the previous page.

Iraqi Funding

Iraqi contributions to reconstruction now have reached $57.96 billion.[33] This total comprises vested and seized funds, as well as oil and gas revenues. A revised draft budget for 2009 reflects the impact of the precipitous drop in global oil prices since last July, which has already prompted repeated cuts in Iraq's planned capital outlays. For more information on GOI revenue, budgeting, and expenditure, see the Economy section in this Report.

International Funding

As of September 30, 2008, total donor assistance pledged for Iraq at the Madrid Conference in 2003, and subsequently, remains unchanged. The $17 billion total includes $5.25 billion in grants for financial and technical assistance and $11.75 billion in soft loan pledges or credit.[34] Iraq has been slow to accept loan pledges, and until this quarter, had not utilized the Stand-By Arrangement (SBA) with the International Monetary Fund (IMF). The GOI

recently completed a $670 million[35] draw on its nearly $730 million available under the SBA,[36] resulting in a non-International Reconstruction Fund Facility for Iraq (IRFFI) increase in contributions.[37]
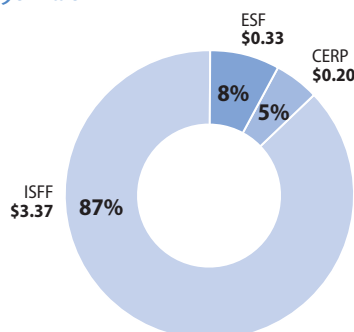
U.S. Reconstruction Funding

SIGIR reports on the oversight and accounting for U.S. monies appropriated or otherwise made available for reconstruction efforts in Iraq, including the building of physical infrastructure, the establishment of political and societal institutions, reconstitution of security forces, and the purchase of products and services for the benefit of the people of Iraq.[38] Reconstruction managers draw operational and administrative monies from 33 funding streams.

As of December 31, 2008, the Congress had appropriated more than $51.01 billion for relief and reconstruction efforts in Iraq.[39] More than 90% ($46.23 billion) has been funded through the following four main accounts:

- Iraq Relief and Reconstruction Fund (IRRF): $20.86 billion
- Iraq Security Forces Fund (ISFF): $18.04 billion
- Economic Support Fund (ESF): $3.74 billion
- Commander's Emergency Response Program (CERP): $3.59 billion

For an overview of U.S. reconstruction funding, see the graphic factsheet on the previous page. See Table 2.1 for details on appropriated funds.

TABLE 2.1
U.S. Appropriated Funds
$Thousands

FUNDING MECHANISM	Consolidated Appropriations Resolution, 2003	Emergency Wartime Supplemental Appropriations Act, 2003	Emergency Appropriations Act for the Defense and for the Reconstruction of Iraq and Afghanistan, 2004	Department of Defense Appropriations Act, 2005	Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005	Appropriations for the Department of State, FY 2006	Appropriations for the Department of Defense, FY 2006	Emergency Supplemental Appropriations for FY 2006	Department of Defense Appropriations Act, FY 2007	U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007	2007 Foreign Assistance Continuing Resolutions	Consolidated Appropriations Act, 2008	Supplemental Appropriations Act, 2008 (Includes FY 2008)*	Supplemental Appropriations Act, 2008 (FY 2009 Bridge Funding Only)*	TOTAL APPROPRIATIONS
PUBLIC LAW #	P.L. 108-7	P.L. 108-11	P.L. 108-106	P.L. 108-287	P.L. 109-13	P.L. 109-102	P.L. 109-148	P.L. 109-234	P.L. 109-289	P.L. 110-28	P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149	P.L. 110-161	P.L. 110-252	P.L. 110-252	
DATE OF ENACTMENT	2/20/2003	4/16/2003	11/6/2003	8/5/2004	5/11/2005	11/14/2005	12/30/2005	6/15/2006	9/29/2006	5/25/2007	12/21/2007	12/26/2007	6/30/2008	6/30/2008	
MAJOR FUNDING STREAMS															
Iraq Relief and Reconstruction Fund (IRRF 2)[a]			$18,439,000										($50,000)		$18,389,000
Iraq Security Forces Fund (ISFF)					$5,490,000			$3,007,000	$1,700,000	$3,842,300		$1,500,000	$1,500,000	$1,000,000	$18,039,300
Commander's Emergency Response Program (CERP)[b,*]				$140,000	$718,000		$408,000	$300,000	$400,000	$350,000		$370,000	$625,000	$285,000	$3,596,000
Economic Support Fund (ESF)[c]	$40,000	$10,000				$60,390		$1,485,000		$1,478,000	$122,800	$14,879	$424,000	$102,500	$3,737,569
Iraq Relief and Reconstruction Fund (IRRF 1)		$2,475,000													$2,475,000
Major Funding Stream Totals	$40,000	$2,485,000	$18,439,000	$140,000	$6,208,000	$60,390	$408,000	$4,792,000	$2,100,000	$5,670,300	$122,800	$1,884,879	$2,499,000	$1,387,500	$46,236,869
Other Assistance Programs															
Natural Resources Risk Remediation Fund (NRRRF)		$489,300													$489,300
Department of State, International Narcotics Control and Law Enforcement (DoS/INL)		$20,000						$91,400		$150,000	$20,048		$85,000		$366,448
Democracy Fund (State)										$250,000			$75,000		$325,000
International Disaster Assistance (IDA)[d]		$143,800				$7,886						$50,000	$35,000	$10,000	$246,686
International Disaster and Famine Assistance[d]										$45,000	$5,000				$50,000
Migration and Refugee Assistance (MRA)[d]										$45,000	$20,000	$149,400	$128,000	$141,000	$483,400
Iraq Freedom Fund (Brinkley Initiative)										$50,000			$50,000		$100,000
Child Survival and Health Programs Fund		$90,000													$90,000
PL 480 Title II Food Aid	$68,000				$2,962							$22,895			$93,857
Voluntary Peacekeeping Operations		$50,000													$50,000
Alhurra-Iraq Broadcasting			$40,000												$40,000
Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR)[d]										$7,000	$12,350	$15,975		$4,500	$39,825
Emergency Refugee and Migration Assistance		$37,000													$37,000
Overseas Humanitarian, Disaster and Civic Aid			$17,000												$17,000
International Affairs Technical Assistance (OTA)								$13,000		$2,750					$15,750
Education and Cultural Exchange Programs						$5,572					$5,173	$5,720			$16,465
Combatant Commander Initiative Fund (CINC Initiative Fund)		$3,612													$3,612
U.S. Marshals Service (Litigation Support Services)								$1,000					$1,648		$2,648
International Military and Education Training (IMET)											$1,138	$242			$1,380

FUNDING MECHANISMS	Consolidated Appropriations Resolution, 2003	Emergency Wartime Supplemental Appropriations Act, 2003	Emergency Appropriations Act for the Defense and for the Reconstruction of Iraq and Afghanistan, 2004	Department of Defense Appropriations Act, 2005	Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005	Appropriations for the Department of State, FY 2006	Appropriations for the Department of Defense, FY 2006	Emergency Supplemental Appropriations for FY 2006	Department of Defense Appropriations Act, FY 2007	U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007	2007 Foreign Assistance Continuing Resolutions	Consolidated Appropriations Act, 2008	Supplemental Appropriations Act, 2008 (includes FY 2008)*	Supplemental Appropriations Act, 2008 (FY 2009 Bridge Funding Only)*	Total Appropriations
PUBLIC LAW #	P.L. 108-7	P.L. 108-11	P.L. 108-106	P.L. 108-287	P.L. 109-13	P.L. 109-102	P.L. 109-148	P.L. 109-234	P.L. 109-289	P.L. 110-28	P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149	P.L. 110-161	P.L. 110-252	P.L. 110-252	
DATE OF ENACTMENT	2/20/2003	4/16/2003	11/6/2003	8/5/2004	5/11/2005	11/14/2005	12/30/2005	6/15/2006	9/29/2006	5/25/2007	12/21/2007	12/26/2007	6/30/2008	6/30/2008	
Department of Justice; litigation support										$1,648					$1,648
Other Assistance Programs Totals	$68,000	$833,712	$57,000	$0	$2,962	$13,458	$0	$105,400	$0	$551,398	$63,709	$244,232	$374,648	$155,500	$2,470,019
Reconstruction Related Operational Costs															
U.S. Contributions to International Organizations													$38,000	$30,000	$68,000
Coalition Provisional Authority (CPA)			$833,000												$833,000
Project and Contracting Office[f]								$200,000		$630,000					$830,000
Iraq Freedom Fund (PRT Administrative Costs)										$100,000					$100,000
USAID Administrative Expenses[g]		$21,000			$24,400			$79,000				$20,800	$25,000	$52,000	$222,200
Reconstruction Related Operational Cost Totals	$0	$21,000	$833,000	$0	$24,400	$0	$0	$279,000	$0	$746,372	$0	$20,800	$63,000	$82,000	$2,053,200
Reconstruction Oversight															
Defense Contract Audit Agency (DCAA)[h]										$16,372					$16,372
Special Inspector General for Iraq Reconstruction (SIGIR)			$75,000					$24,000		$35,000			$2,500	$36,500	$173,000
Department of State, Office of Inspector General								$1,000		$1,500	$1,300	$1,300	$2,500	$5,000	$12,600
DoD Office of the Inspector General								$5,000				$20,800			$25,800
United States Agency for International Development, Office of Inspector General (USAID OIG)		$3,500			$2,500					$542	$2,756	$3,025	$3,500	$500	$18,223
Reconstruction Oversight Cost Totals	$0	$3,500	$75,000	$0	$2,500	$0	$0	$30,000	$0	$37,042	$4,056	$25,125	$8,500	$42,000	$245,995
Grand Total All U.S. Appropriated Funding For Iraq Reconstruction	$108,000	$3,343,212	$19,405,900	$140,000	$6,237,862	$73,848	$408,000	$5,206,400	$2,100,000	$7,005,112	$190,565	$2,175,036	$2,945,148	$1,667,000	$51,006,083

a $18,439 billion represents the amount appropriated by the Congress for Iraq programs in IRRF 2 under P.L. 108-106, enacted in November 2003. The Congress had initially appropriated $18,649 billion to IRRF 2, but also earmarked that $210 million be transferred to other accounts for programs in Jordan, Liberia, and Sudan. Of the remaining $18,439 billion, the Administration transferred out of the IRRF to other accounts roughly $562 million for Iraq-related programs that could be implemented only in other accounts, such as a $352 million Iraq bilateral debt forgiveness program to the United States that required funding in a Treasury account. The Congress was notified of all transfers out of the IRRF. In addition, Congress earmarked that $9.95 million of FY 2006 appropriations be transferred into the IRRF from the DoS ESF. Also includes a $50 million rescission as identified in HR 2642.

b Funds appropriated to the CERP are for efforts in Iraq and Afghanistan. SIGIR reports DoD's allocation to CERP for Iraq.

c $40 million from FY 2003 ESF base account that was not reimbursed: $10 million from P.L. 108-11. FY 2007 ESF Emergency Supplemental includes $76 million rescission.

d HR 2642 appropriated funding for International Disaster and Famine Assistance and Migration and Refugee Assistance is subject to change pending final worldwide allocation of these two funds.

e Excludes $75 million for Special Inspector General for Iraq Reconstruction under P.L. 108-106.

f Per conference reports for P.L. 109-234 and P.L. 110-28, reconstruction support funding is provided for Project and Contracting Office activities.

g Incomplete pending further investigation into administrative expenses for all fiscal years.

h As identified in the P.L. 110-28 conference report. Includes Iraq reconstruction efforts for civilian personnel, temporary/additional duty, and miscellaneous contracts.

* FY 2008 supplemental and FY 2009 bridge funding levels for MRA and IDA were significantly higher than requested levels. The Congress did not direct which countries are to receive funding, but Iraq funds may be significantly higher pending administrative decisions that set allocations.

** The FY 2009 NDAA authorizes DoD to cashflow up to $1.5 billion for CERP in Iraq and Afghanistan. To date, CENTCOM has only allocated $125 million for CERP in Iraq for the first quarter of FY 2009, pending review of the total FY 2009 requirements in both theaters. MNF-I has received $147 million in FY 2009 funding.

Development of U.S. Reconstruction Funding

Early reconstruction strategies underestimated the magnitude of the infrastructure repair necessary in Iraq. The high level of insurgent violence that followed the end of military combat in 2003 pushed the cost of reconstruction much higher than expected. The insurgency ultimately forced reconstruction managers to shift focus to security projects. Moreover, the United States increasingly has emphasized the use of Iraqi vendors for most projects.

Shift in Funding Priorities

Early funding allocations focused on rebuilding infrastructure to get essential services operational. The primary source of that funding came from the $18.439 billion appropriation known as the Iraq Relief and Reconstruction Fund 2 (IRRF 2), which supported large long-term construction projects, primarily in the oil, electricity, and water sectors. A move to address the deteriorating security environment shifted IRRF allocations to the security sector, long the largest single spending category in Iraq reconstruction.[40]

To support security funding, the Iraq Security Forces Fund (ISFF) was created in May 2005. Administered by the Department of Defense (DoD), the ISFF is now the largest U.S. reconstruction fund for Iraq. The Commander, Multi-National Security Transition Command-Iraq (MNSTC-I), uses the fund to build, train, and equip the Iraqi Security Forces (ISF). As of December 31, 2008, $14.39 billion of the $18.04 billion ISFF had been obligated, with $11.76 billion expended for these efforts.[41]

The Commander's Emergency Response Program (CERP) has been used for small-scale projects, enabling military commanders to respond to urgent needs in the communities where they operate. Over time, the CERP replaced the IRRF as the primary funding mechanism for civil reconstruction projects. It received a substantial portion of the most recent reconstruction appropriations approved by the Congress. As of December 31, 2008, $3.34 billion of the $3.59 billion had been obligated, with $2.90 billion expended.[42]

U.S. reconstruction programs now chiefly focus on capacity building at national and local levels of the Iraqi government,[43] supported by the Economic Support Fund (ESF). As of December 31, 2008, $3.25 billion of the $3.74 billion had been obligated, with $2.23 billion expended.[44]

On September 30, 2008, authority for obligating funds for new projects under the IRRF 2 expired. To date, more than $17.92 billion has been obligated, and $17.35 billion has been expended for reconstruction efforts in Iraq. Although many infrastructure projects have been closed out, a significant number of IRRF-funded projects remain ongoing. The Gulf Region Division (GRD) of the U.S. Army Corps of Engineers currently has 42 ongoing IRRF projects, valued at $520 million.[45]

Sharing the Cost of Reconstruction

The developing scope of recent U.S. appropriations points to the transition to GOI funding and management of Iraq reconstruction. U.S. funding has long since shifted from large infrastructure projects, with priority placed on facilitating the use of Iraqi resources to direct new projects.

The Duncan Hunter National Defense Authorization Act (NDAA) for Fiscal Year 2009 authorized additional U.S. funding for Iraq reconstruction, but imposed limitations on its use. Under the law, funds "may not be obligated or expended for the acquisition, conversion, rehabilitation, or installation of facilities in Iraq for the use of the Government of Iraq." It also reiterated the congressional priority that the GOI assume responsibility for funding and implementing efforts now supported by the CERP.[46] Efforts to encourage greater Iraqi spending on reconstruction were included in prior legislation, such as the requirement in the Supplemental Appropriations Act of 2008, which required a dollar-for-dollar match of funding administered by the Department of State (DoS).

This quarter, the Bureau of Near Eastern Affairs-Iraq (NEA-I) issued a memorandum addressing GOI contributions to reconstruction projects. The memorandum argues that, although the GOI has not matched every foreign assistance program on a dollar-for-dollar basis, its contributions support areas of development that more than match U.S. contributions. For example, GOI allocations for provincial reconstruction efforts through provincial grants have exceeded related ESF allocations for the Provincial Reconstruction Development Council and USAID's Local Governance Programs.[47] SIGIR is currently reviewing the cost-sharing issue and plans to report on it in the April 2009 Quarterly Report.

Funds Remaining in Major Accounts

Of the $25.37 billion appropriated to the ISFF, ESF, and CERP reconstruction accounts, $4.39 billion remains unobligated (including $0.48 billion no longer available for obligation).[48] Unobligated ISFF funds account for 83% of this total, and $3.37 billion of the ISFF remains available for new obligations.[49] Much of the ISFF appropriated in FY 2008 was received late in the year, and most remain unobligated.[50]

All three major ongoing reconstruction accounts have obligated 80% or more of total funding.[51] Of the $20.98 billion obligated to these accounts, less than 20% ($4.09 billion) remains for expenditure:[52]
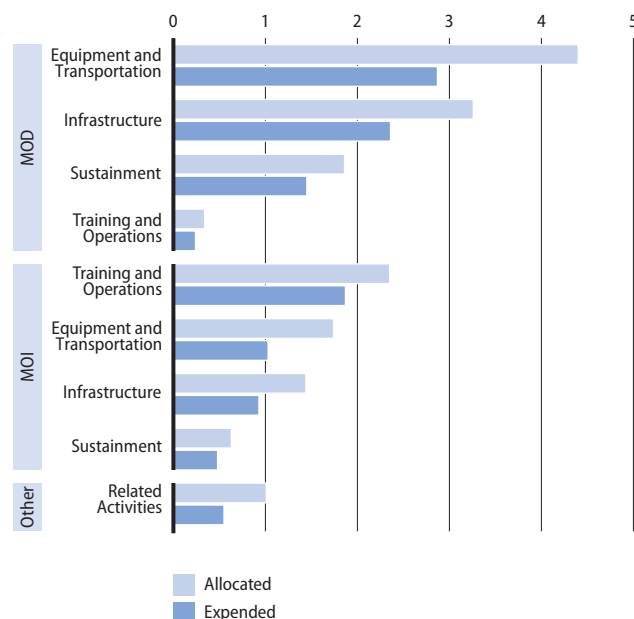
- ISFF: $2.63 billion (18% unexpended)
- ESF: $1.02 billion (31% unexpended)
- CERP: $0.44 billion (13% unexpended)

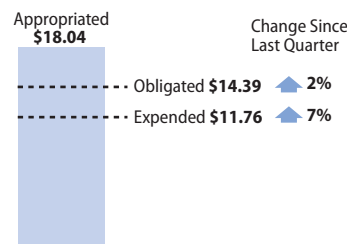For more information on unobligated funds by type, see the summary of funds graphic factsheet that leads this section.

ISFF

Funding by Sub-Activity Group[a]
$ Billions

Legend:
- Allocated
- Expended

Status of Funds[b]
$ Billions

Appropriated
$18.04

Change Since Last Quarter
- Obligated **$14.39** ▲ 2%
- Expended **$11.76** ▲ 7%

New Contracting Actions, by Quarter[c]
$ Millions

Legend:
- Total Obligated
- Total Number of New Contracting Actions
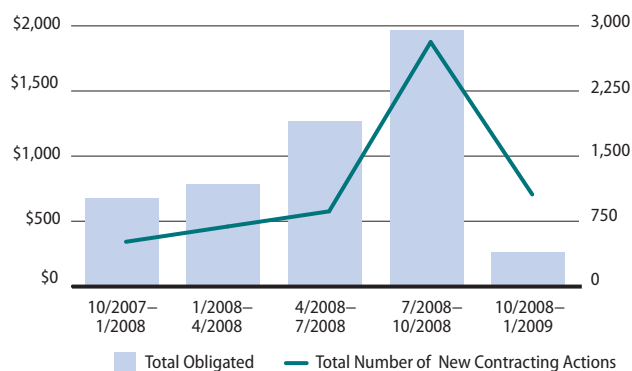
Major Ongoing ISFF Reconstruction Projects[d]
$ Millions

Project	Total Budgeted Cost	Start Date	Projected Completion Date	Province	Contractor
Location Command Tikrit	$59.95	7/14/2008	3/31/2009	Salah Al-Din	Iraqi Contractor
National Police Sustainment Facility at Al Tajiyat	$56.60	12/31/2008	3/25/2010	Baghdad	Iraqi Contractor
Shaiba Location Command	$37.89	5/30/2008	4/08/2009	Thi-Qar	Iraqi Contractor
Maymona Location Command	$37.28	7/12/2008	5/06/2009	Missan	Iraqi Contractor
Construct Facilities at FOB Normandy	$35.20	9/19/2007	12/30/2008	Diyala	URS Group, Inc.
Location Command Al-Ghizlani	$32.42	11/29/2008	6/22/2009	Ninewa	Iraqi Contractor
Recruit Training Center, Baghdad Police College	$31.11	4/09/2008	8/12/2009	Baghdad	Lakeshore Engineering Services, Inc.
Complete Construction of Iraqi Air Force and Flight Training School at Kirkuk Regional Air Base	$28.75	3/06/2008	2/17/2009	Tameem	Environmental Chemical Corporation
Construct 1st BDE, 7th DIV HQ and 3 BNs at Ramadi	$28.11	1/18/2007	2/25/2009	Anbar	Environmental Chemical Corporation
Construct Mosul Police Recruit Academy	$27.69	6/16/2008	1/19/2009	Ninewa	Iraqi Contractor

Note: Numbers affected by rounding.

[c] Includes contract line items for which an award number was able to be generated and that had an obligated amount greater than zero. New contract line items are determined by award numbers that are present in the current quarter but not in the previous quarter.

[d] IRMS, *Global Benchmark*, 1/6/2009. The budgeted costs listed in the table above represent the ESF line-item portion of each project as reported in the Iraq Reconstruction Management System (IRMS) and not total project costs. Line items may represent a portion of projects executed in multiple phases or multiple task orders. Project name and total cost may be different from last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.

Sources:
[a] OSD, response to SIGIR data call, 1/16/2009.
[b] P.L.108-287; P.L. 109-13; P.L. 109-148; P.L. 109-234; P.L. 109-289; P.L.110-28; P.L. 110-161; P.L. 110-252; OSD, response to SIGIR data call, 1/16/2009.
[c] Corps of Engineers Financial Management System, 1/7/2009, 9/30/2008, 6/30/2008, 4/4/2008, 1/4/2008, 9/30/2007.
[d] IRMS, *Global Benchmark*, 1/6/2009.

Iraq Security Forces Fund

Uses of ISFF Funding

The ISFF has received the second largest appropriation after the IRRF, and with $3.37 billion in unobligated funds,[53] it is the largest active reconstruction fund. The ISFF funds activities to support the Iraqi Ministry of Defense (MOD) and the Ministry of Interior (MOI) under four major budget sub-activity groups:

- Equipment and Transportation
- Sustainment
- Training and Operations
- Infrastructure

With the November 2008 release of FY 2008/2009 ISFF funding,[54] allocations to both MOD and MOI sub-activity groups have increased significantly.[55] Table 2.2 provides the allocations, obligations, and expenditures of each sub-activity group for the period between September 1, 2008, and December 31, 2008.

Quarterly Expenditure Trends

Since September 30, 2008, funding shifted within ISFF budget groups. Overall, there were no new funds appropriated for the ISFF this quarter; however, money allocated to the MOD and MOI was allocated at the sub-activity group level.[56] Table 2.2 details the numeric change for each budget group from the previous quarter.

This quarter, the largest allocations and expenditures continue to be in the Equipment and Transportation sub-activity group. However,

TABLE 2.2

Numeric Change, from 9/30/2008 – 12/31/2008, by ISFF Sub-activity Group
$ Millions

Funding Category		Allocations	Obligations	Expenditures
MOD	Equipment and Transportation	$368	$82	$165
	Infrastructure	0	34	162
	Sustainment	164	22	78
	Training and Operations	69	29	9
	MOD Budget Activity Group Change	**-4**	**167**	**415**
MOI	Equipment and Transportation	372	1	100
	Infrastructure	0	-5	55
	Sustainment	86	7	26
	Training and Operations	450	20	11
	MOI Budget Activity Group Change	**52**	**22**	**192**
Other		**50**	**112**	**128**
Grand Total		**$99**	**$301**	**$735**

Note: Last quarter, MNSTC-I had not finalized allocations of new appropriations received. These funds were categorized as "undistributed" and included in total allocations. Therefore the allocation totals did not change significantly over last quarter.

Source: OSD, responses to SIGIR data call, 1/16/2009 and 10/14/2008.

allocations for Training and Operations sub-activities for both the MOD and MOI jumped by about 25%.[57]

This quarter, $52 million was reprogrammed from MOI internment facility programs to MOI training activities. ISFF funds slated for MOD equipment ($15.0 million) were reprogrammed for sustainment ($9.2 million), prosthetics clinics ($3.5 million), and MOD training ($2.3 million).[58]

As of December 31, 2008, just more than 65% of the ISFF had been expended. This represents a 7% increase in expenditures over the previous quarter and a 45% increase from the same period last year.[59]

Fiscal Year Expenditure Trends

The FY 2009 NDAA prohibits the use of FY 2009 bridge ISFF monies and future funds for infrastructure projects and directs that actions be taken to ensure that the GOI assume the costs of salaries, training, equipping, and sustaining the ISF. In keeping with these restrictions, infrastructure projects for the ISF are currently supported only by FY 2008 supplemental funds made available for use until the end of FY 2009.[60]

Table 2.3 illustrates the expenditure rate of ISFF funds by fiscal year.

Although the ISFF is the largest active reconstruction fund, its annual appropriations have been decreasing; the Congress made

TABLE 2.3

ISFF PROGRAMS FOR THE MINISTRY OF DEFENSE, BY FISCAL YEAR
$ BILLIONS

FY	ALLOCATED	OBLIGATED	EXPENDED	% OBLIGATED	% EXPENDED
2005	$3.24	$3.18	$3.16	98%	97%
2006	$1.57	$1.44	$1.41	92%	90%
2007	$3.57	$3.56	$2.25	100%	63%
2008	$1.48	$0.39	$0.10	26%	7%

ISFF PROGRAMS FOR THE MINISTRY OF INTERIOR, BY FISCAL YEAR
$ BILLIONS

FY	ALLOCATED	OBLIGATED	EXPENDED	% OBLIGATED	% EXPENDED
2005	$2.01	$1.95	$1.94	97%	97%
2006	$1.33	$1.31	$1.21	98%	91%
2007	$1.57	$1.56	$0.96	100%	61%
2008	$1.26	$0.24	$0.19	19%	15%

Source: OSD, response to data call, 1/12/2008.

$3 billion available for FY 2008 and a $1 billion bridge fund for FY 2009.[61] As U.S. funding has gradually decreased, the GOI's contribution to the development of the ISF has greatly increased. MNSTC-I estimates that the GOI will have spent almost $16 billion on the ISF, excluding military pay, by the end of 2009.[62] Iraqi spending could triple that of the United States in 2009.[63]

Even as Iraqi contributions supporting the ISF continue to rise, MNSTC-I anticipates that the ISFF will still be needed to support the development of key capabilities, to consolidate security gains, and to foster a long-term strategic relationship with Iraq.[64]

Iraqi progress notwithstanding, U.S. support continues to play an integral role in assisting the MOD and MOI to strengthen their core capacities, such as budget execution. For example, this quarter, the MOD relied on the Foreign Military Sales (FMS) process to execute its budget.

Transfers made late in the year to the FMS account in 2008 give the appearance that the MOD had fully executed its budget.[65]

The ISFF Spend Plan for FY 2009 anticipates an aggressive obligation schedule, with more than $1 billion slated for obligation by March 2009 and all available funds obligated by the end of the fiscal year.[66]
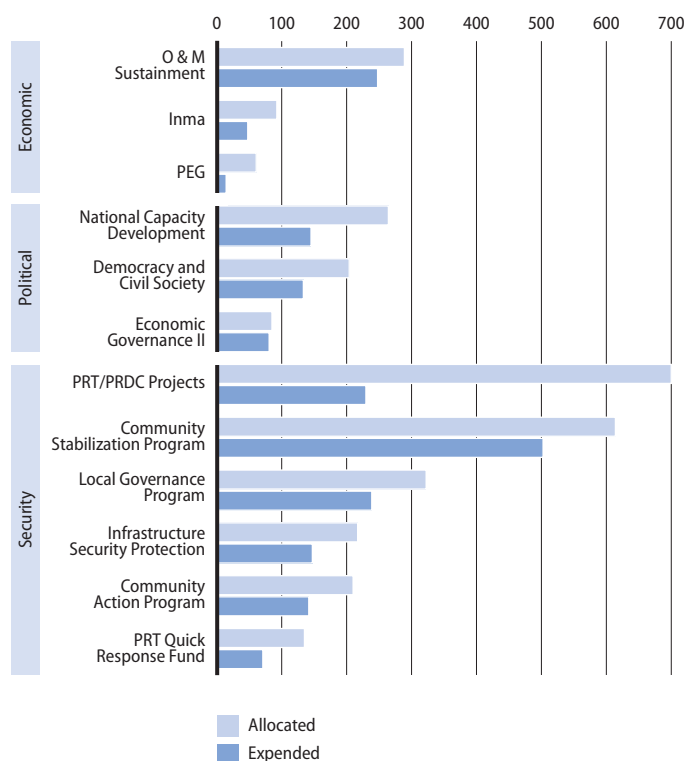
Of the funds made available in FY 2008, 40% has been obligated. None of the FY 2009 bridge funding has been spent, and MNSTC-I reports that it may not need these funds this year. The Office of the Under Secretary of Defense (OUSD) Comptroller has requested that these funds be made available until 2010.[67]

Guided by the input of the MOD and MOI, as well as restrictions by the Congress, remaining FY 2008 ISFF funding will address ISF needs that cannot be met with FY 2009 appropriations.[68]
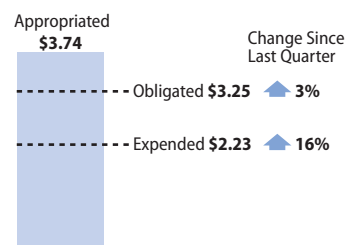
ESF

Funding for Major Programs[a]
$ Millions

Legend: Allocated / Expended

Economic: O & M Sustainment, Inma, PEG
Political: National Capacity Development, Democracy and Civil Society, Economic Governance II
Security: PRT/PRDC Projects, Community Stabilization Program, Local Governance Program, Infrastructure Security Protection, Community Action Program, PRT Quick Response Fund

Status of Funds[b]
$ Billions

Appropriated **$3.74**

Change Since Last Quarter
Obligated **$3.25** ▲ 3%
Expended **$2.23** ▲ 16%

New Contracting Actions, by Quarter[c]
$ Millions

Total Obligated
Total Number of New Contracting Actions

Major Ongoing ESF Reconstruction Projects[d]
$ Millions

Project	Total Budgeted Cost	Start Date	Projected Completion Date	Province	Contractor
Maysan Surgical Hospital, Phase 2	$14.08	02/19/2008	05/19/2009	Missan	Iraqi Contractor
Provide & Install 132 kV Power Cable Feeder ESF (PRDC)	$13.10	03/22/2008	03/09/2009	Basrah	Iraqi Contractor
ESF–PRDC—Erbil Emergency Hospital	$12.67	11/01/2008	12/04/2009	Erbil	Iraqi Contractor
Oil Pipeline Exclusion Zone Bayji—Baghdad - 5	$10.50	05/13/2008	01/19/2009	Salah Al-Din	Iraqi Contractor
Water Reverse Feeding of Clean Water ESFPRDC 06	$10.18	01/24/2008	04/30/2009	Basrah	Iraqi Contractor
Baqubah General Hospital EHC (PRDC)	$9.61	03/15/2008	06/17/2009	Diyala	Iraqi Contractor
Oil Pipeline Exclusion Zone Bayji—Baghdad - 2	$8.11	05/15/2008	01/26/2009	Salah Al-Din	Iraqi Contractor
Oil Pipeline Exclusion Zone Bayji—Baghdad - 4	$7.93	05/22/2008	02/23/2009	Salah Al-Din	Iraqi Contractor
Oil Pipeline Exclusion Zone Bayji—Baghdad - 3	$7.76	05/13/2008	02/08/2009	Salah Al-Din	Iraqi Contractor
Oil Pipeline Exclusion Zone Bayji—Baghdad - 1	$7.59	05/16/2008	02/10/2009	Salah Al-Din	Iraqi Contractor

Note: Numbers affected by rounding.
[d] IRMS, *Global Benchmark*, 1/6/2009. The budgeted costs listed in the table above represent the ESF line item portion of each project as reported in the Iraq Reconstruction Management System (IRMS) and not total project costs. Line items may represent a portion of projects executed in multiple phases or multiple task orders. Project name and total cost may be different from last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Includes contract line items for which an award number was able to be generated and that had an obligated amount greater than zero. New contract line items are determined by award numbers that are present the current quarter but not in the previous.

Sources:
[a] DoS, response to SIGIR data call, 10/14/2007; USAID, response to SIGIR data call, 1/8/2009; GRD, response to SIGIR data call, 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009; USAID, response to SIGIR data call, 1/8/2009.
[b] P.L. 108-7; P.L. 108-11; P.L. 109-102; P.L.109-234; P.L.110-28; P.L. 110-92; P.L.110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; DoS, response to SIGIR data call, 10/14/2007; USAID, response to SIGIR data call, 1/8/2009; ITAO, responses to SIGIR data call, 10/2/2008, 10/14/2008, and 1/15/2009; GRD, response to SIGIR data call, 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009.
[c] U.S. Army Corps of Engineers Financial Management System, 1/7/2009, 9/30/2008, 6/30/2008, 4/4/2008, 1/4/2008, 9/30/2007. USAID, responses to SIGIR data call, 1/8/2009, 10/10/2008, 7/16/2008, 4/14/2008, 1/11/2008 and 10/15/2007.
[d] IRMS, *Global Benchmark*, 1/6/2009.

Economic Support Fund

ESF Program Update

The ESF funds activities that support three main goals in Iraq: Peace and Security, Governing Justly and Democratically, and Economic Growth.[69] ESF allocations to its three tracks now total $3.54 billion:[70]

- Security: $1.70 billion
- Political: $1.27 billion
- Economic: $0.57 billion

With $1.02 billion in unexpended funds, the ESF is the second-largest ongoing reconstruction fund behind the ISFF. Current spending priorities have not changed from the spend plan created for the FY 2008 supplemental funds. Currently, all FY 2008 ESF supplemental appropriations have been obligated; however, only 1% of FY 2008 funds have been expended. This quarter, total ESF expenditures rose by 16%.[71]

Table 2.4 details the status of ESF funds by program.

Security Track

The ESF FY 2008 supplemental spend plan calls for the largest portion of recent appropriations ($100 million) to be spent under the Community Stabilization Program (CSP).[72] This quarter, expenditures of the CSP rose more than any other ESF program—nearly $80 million.

The pace of spending through the PRT program's Quick Response Fund (QRF) continued to drive short-term efforts, ranging from small business support to elections outreach activities to meet the needs of both governmental and non-governmental organizations.[73]

Political Track

With a spend plan projection of $75 million, the Community Action Program (CAP) accounts for the largest portion of fund projections in the political track. This is closely followed by the National Capacity Development (NCD) program, which is allotted $70 million.[74] Historically, expenditures for the Local Governance Program (LGP) have exceeded both CAP and NCD. This quarter, the LGP led in political track expenditures, with $43.15 million[75] spent primarily on training for Provincial Council members and other programs to support the upcoming elections.[76]

Economic Track

According to the FY 2008 Supplemental spend plan, most reconstruction in the economic track will be conducted through the Provincial Economic Growth (PEG) program. This quarter, the Inma program expended the largest amount for agriculture support activities in 12 of Iraq's 18 provinces.[77]

TABLE 2.4

STATUS OF ESF BY PROGRAM FUNDING
$ MILLIONS

PROGRAM	ALLOCATED	OBLIGATED	EXPENDED
PRT/PRDC Projects	$700	$430	$230
Community Stabilization Program	614	614	503
Infrastructure Security Protection	217	178	147
PRT Quick Response Fund	135	135	71
Marla Ruzicka Iraq War Victims Fund (Transferred to the IRRF)	30	30	15
Security Subtotal	**1,696**	**1,387**	**965**
Local Governance Program	323	323	239
National Capacity Development	264	264	145
Community Action Program	210	210	137
Democracy and Civil Society[a]	204	204	133
Iraqi Refugees (Jordan) - transferred to Migration and Refugee Assistance[b]	103	103	36
Economic Governance II, Policy & Regulatory Reforms	85	85	81
Ministerial Capacity Development	45	37	27
Regime Crimes Liaison Office	33	32	28
Political Subtotal	**1,267**	**1,258**	**825**
O & M Sustainment	289	267	244
Inma	93	93	48
PEG	61	61	14
Targeted Development Program	57	57	7
Plant-Level Capacity Development & Technical Training	47	47	43
Izdihar	24	24	22
Economic Subtotal	**571**	**548**	**382**
Grand Total	**$3,534**	**$3,197**	**$2,178**

Notes:
[a] Amounts in this category include programs reported as "Civil Society Development," "Civil Society-ADF and IFES," "Civil Society-IREX," "Democracy and Civil Society," "Democracy Funding for IRI /NDI/ NED," and "USIP."
[b] Per OMB, amounts in this category include programs reported as "Iraqi Refugees (Jordan)-Transferred to Migration and Refugee Assistance" and Iraqi Scholars Program.

Sources: USAID, response to SIGIR data call, 1/8/2009; GRD, response to SIGIR data call, 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009 and 1/8/2009; ITAO, response to SIGIR data call, 1/15/2009.

Expenditure Trends

ESF appropriations were expended at a slower rate last quarter relative to the other major reconstruction funding accounts.[78] Table 2.5 illustrates the expenditure rates by fiscal year.

TABLE 2.5

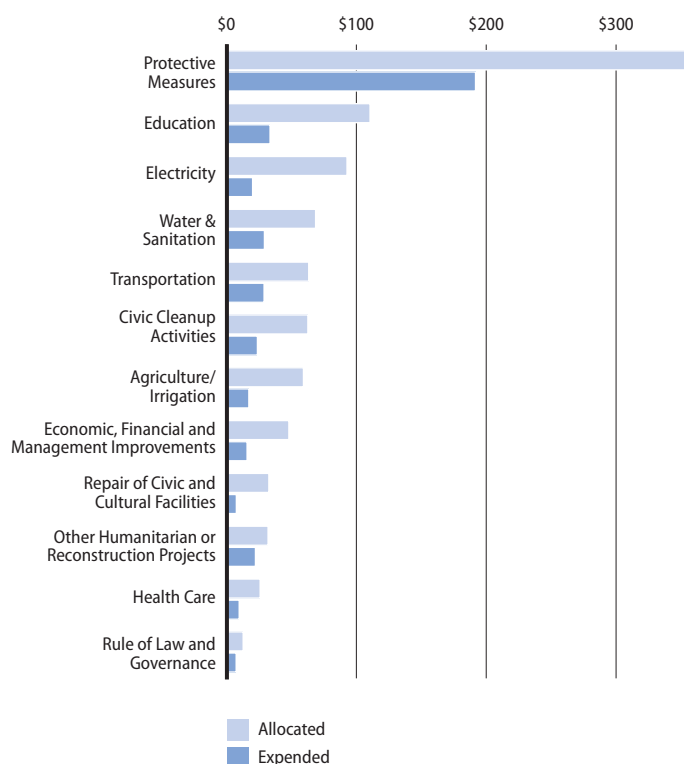### STATUS OF THE ESF BY FISCAL YEAR
$ MILLIONS

FY	ALLOCATED	OBLIGATED	EXPENDED	% OBLIGATED	% EXPENDED
FY 2005	$50	$50	$50	100%	100%
FY 2006	$1,535	$1,392	$1,229	91%	80%
FY 2007	$1,603	$1,404	$939	88%	59%
FY 2008	$396	$396	$4	100%	1%

Sources: DoS, response to SIGIR data call, 10/14/2007; USAID, response to SIGIR data call, 1/8/2009; GRD, response to SIGIR data call, 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009; ITAO, responses to SIGIR data call, 10/2/2008, 10/19/2008, and 1/15/2009.
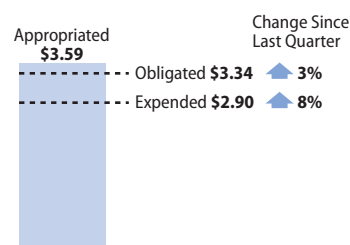
CERP

Funding by Project Type, for FY 2008[a]
$ Millions

Project types (top to bottom):
- Protective Measures
- Education
- Electricity
- Water & Sanitation
- Transportation
- Civic Cleanup Activities
- Agriculture/Irrigation
- Economic, Financial and Management Improvements
- Repair of Civic and Cultural Facilities
- Other Humanitarian or Reconstruction Projects
- Health Care
- Rule of Law and Governance

Legend:
- Allocated
- Expended

Status of Funds[b]
$ Billions

Appropriated $3.59

Change Since Last Quarter

Obligated $3.34 ▲ 3%
Expended $2.90 ▲ 8%

Total Monthly Project Obligations[c]
$ Millions
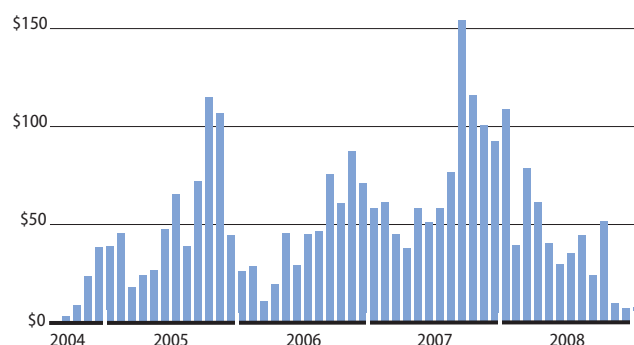
Major Ongoing CERP Reconstruction Projects[d]
$ Millions

Project	Total Budgeted Cost	Start Date	Projected Completion Date	Province	Contractor
Electrical Distribution In Muhalla 312	$11.76	10/18/2007	1/31/2009	Baghdad	Not Available
Fallujah Sewer Pump Stations F1, F2	$7.22	9/22/2006	3/31/2009	Anbar	Iraqi Contractor
PIC Sewage Installation—Karmat Ali	$6.56	8/11/2007	1/01/2009	Basrah	Not Available
Kirkuk City Clean-Up Supplies And Materials	$6.13	1/01/2007	2/15/2009	Tameem	Not Available
Fallujah Solar Lights Phase II	$5.50	6/06/2008	1/01/2009	Anbar	Iraqi Contractor
Transformers For Baghdad PC	$4.82	10/20/2006	6/30/2007	Baghdad	Not Available
Contraction Of A New Ridwaniyah Municipal Water Treatment Facility	$4.29	12/09/2004	7/15/2005	Baghdad	Not Available
Solar Powered Street Lamps for Baghdad Neighborhoods	$3.50	11/06/2007	2/06/2008	Baghdad	Not Available
Al Kawaz Substation	$3.43	9/20/2007	12/15/2008	Basrah	Iraqi Contractor

Note: Numbers affected by rounding.

[a] The budgeted costs listed in the table above represent the ESF line-item portion of each project as reported in the Iraq Reconstruction Management System (IRMS) and not total project costs. Line items may represent a portion of projects executed in multiple phases or multiple task orders. Project name and total cost may be different from last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.

[c] Date shown reflects the actual start date of projects.

Sources:
[a] OSD, response to SIGIR data call, 1/9/2008.
[b] P.L.108-287; P.L. 109-13; P.L. 109-148; P.L. 109-234; P.L. 109-289; P.L.110-28; P.L. 110-161; P.L. 110-252; OSD, response to SIGIR data call, 1/12/2009.
[c] IRMS, *MNC-I Quarterly Report*, 1/7/2009.
[d] IRMS, *Global Benchmark*, 1/6/2009.

Commander's Emergency Response Program

Scale of CERP Projects

Although the CERP is intended to fund small-scale projects, SIGIR has previously noted an increasing trend in the average value of CERP projects. It now appears that average CERP values are declining. In FY 2008, the largest portion of CERP obligations (85%) was made for projects under $500,000.[79] Table 2.6 illustrates the amount of CERP projects by dollar value range.

SIGIR previously reported on the large number of projects valued at more than $500,000 and made recommendations for improvement in oversight and reporting. DoD agencies responsible for this program have since taken steps to address these issues. Moreover, the Congress limited the use of CERP for large-scale projects in recent legislative language.[80]

The application of these restrictions is evident in the most recent CERP guidance issued by the OUSD Comptroller in December 2008, which reiterates the importance of funding small-scale projects and requires that these projects take priority over higher-value projects.[81] The guidance enforces the $2 million limit on CERP projects set forth in the NDAA unless a waiver is issued by the Secretary of Defense. Consistent with the trend of increased Iraqi responsibility, DoD directed that any project over $750,000 must be funded on a cost-sharing basis with the GOI.[82] The Secretary of Defense has the authority to waive this requirement in the case of urgent humanitarian needs.

CERP guidance prioritizes activities that can be accomplished quickly to benefit the greatest number of people.[83] However, SIGIR has previously observed that implementers faced challenges in providing adequate oversight and reporting of many projects. In the June 2008 guidance of OUSD comptroller, language was added requiring that all projects over $50,000 must be coordinated with local Provincial Reconstruction Teams (PRTs) prior to execution. Moreover, performance indicators must be included in the evaluation package for proposed

Table 2.6

FY 2008 CERP Projects by Range

$ Millions

Project Values	# Projects	Total Obligations
< $10,000	4,677	$14.44
>= $10,000 and < $100,000	4,778	$217.71
>= $100,000 and < $500,000	2,750	$641.16
>= $500,000 and < $2,000,000	107	$98.26
>= $2,000,000	15	$51.25

Source: OSD, response to SIGIR data call, 1/9/2009.

CERP projects valued at $50,000 or more; the new CERP guidance also gives more specific direction regarding suitable metrics.[84]

The new CERP guidance underscores the intent that CERP projects be sustainable.[85] In FY 2008, nearly 2,100 projects were recorded as transferred to the GOI. Table 2.7 displays the number of projects transferred by project type.

CERP Funding Trends

To date, 25,810 CERP projects have been completed, and 2,533 are ongoing.[86] Overall, projects in FY 2008 primarily addressed security concerns.[87] However, as security improvements were made, the CERP was increasingly used to fund economic development activities, educational services, electricity projects, and a variety of other reconstruction initiatives. In the fourth quarter of FY 2008, for example, the second-largest expenditure of CERP funds behind security was for programs that addressed issues faced as a result of Iraq's drought.[88]

Table 2.8 shows the status of CERP funds by project type.

Table 2.7

CERP FY 2008 Projects Transferred to the GOI

Project Category	Number Transferred
Other Urgent Humanitarian or Reconstruction Projects	308
Economic, Financial, and Management Improvements	281
Civic Cleanup Activities	267
Education	205
Water & Sanitation	187
Transportation	179
Agriculture/Irrigation	129
Condolence Payments	121
Electricity	109
Repair of Civic & Cultural Facilities	85
Rule of Law & Governance	75
Healthcare	56
Battle Damage Repair	40
Iraqi Hero Payments	16
Detainee Payments	11
Civic Support Vehicles	9
Food Production & Distribution	7
Telecommunications	7
Protective Measures	5
Total	**2,097**

Source: OSD, response to SIGIR data call, 1/9/2009.

Expenditure Trends

In comparison to the same quarter a year ago, the percentage of obligated CERP funds expended increased from 68% to 87%.[89] CERP expenditure rates dropped between April and June 2008.[90] MNC-I attributes this decrease to the release of nearly half of its annual funding later in the year, via the Supplemental Appropriations Act, 2008.[91] Expenditures increased in the last quarter of FY 2008. For an overview of obligations by month, see the CERP graphic factsheet. In FY 2008, obligations for protective measures notably exceeded every other CERP spending category. This was primarily driven by payments made to the Sons of Iraq (SOI). As this program transitions to the GOI, the focus of CERP funds will be directed toward economic development and humanitarian support.

TABLE 2.8

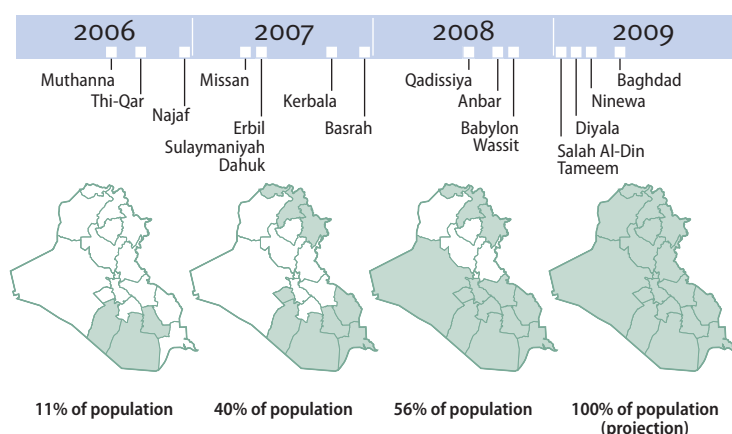### STATUS OF FUNDING BY FY 2008 CERP PROJECT CATEGORIES
$ MILLIONS

PROJECT CATEGORY	OBLIGATED	EXPENDED
Protective Measures	$388.53	$191.75
Education	$110.53	$33.53
Electricity	$92.79	$20.09
Water & Sanitation	$68.60	$29.19
Transportation	$63.30	$28.92
Civic Cleanup Activities	$62.64	$23.80
Agriculture/Irrigation	$59.24	$17.19
Economic, Financial, and Management Improvements	$48.01	$15.83
Repair of Civic & Cultural Facilities	$32.59	$7.58
Other Urgent Humanitarian or Reconstruction Projects	$32.00	$22.28
Healthcare	$25.89	$9.76
Rule of Law & Governance	$12.82	$7.43
Condolence Payments	$10.04	$5.72
Battle Damage Repair	$5.53	$5.10
Civic Support Vehicles	$4.60	$1.32
Telecommunications	$2.59	$1.28
Food Production & Distribution	$2.12	$1.11
Iraqi Hero Payments	$0.59	$0.56
Detainee Payments	$0.40	$0.24

Source: OSD, response to SIGIR data call, 1/9/2009.

SECURITY

Timeline of Provincial Iraqi Control[a]

2006	2007	2008	2009
Muthanna	Missan	Qadissiya	Baghdad
Thi-Qar	Kerbala	Anbar	Ninewa
Najaf	Basrah	Babylon	Diyala
Erbil		Wassit	Salah Al-Din
Sulaymaniyah			Tameem
Dahuk			

| 11% of population | 40% of population | 56% of population | 100% of population (projection) |

SOI Registration and Transfer Timeline[b]

PROVINCE	REGISTRATION STARTED	SOI TRANSFER TO GOI
Baghdad	—	October 2008
Ninewa	February 2009	March 2009
Diyala	December 2008	January 2009
Babylon	December 2008	January 2009
Tameem	February 2009	March 2009
Anbar	January 2009	February 2009
Wassit	December 2008	January 2009
Salah Al-Din	March 2009	April 2009
Qadissiya	December 2008	January 2009

Status of U.S. Funds Supporting Iraq's Security[c]
$ Billions

Allocated **$25.3**
Obligated **$22.6**
Expended **$19.6**

Attack Update[d]

Total Attacks
Baghdad Attacks
Ninewa Attacks

Note: Numbers affected by rounding.

Sources:
[a] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
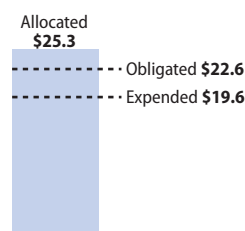[b] MNC-I, "Sons of Iraq," 12/5/2008.
[c] USAID, response to SIGIR data call, 1/8/2009; ITAO, responses to SIGIR data call, 1/12/2009 and 1/15/2009; IRMS, *MNC-I Quarterly Report*, 1/7/2009; OSD, response to SIGIR data call, 1/12/2009; DFAS, response to SIGIR data call, 1/9/2009; DoS, response to SIGIR data call, 4/5/2007. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the Summary of U.S. Funding. SIGIR did not receive current project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 1, IRRF 2, ESF, and CERP funding.
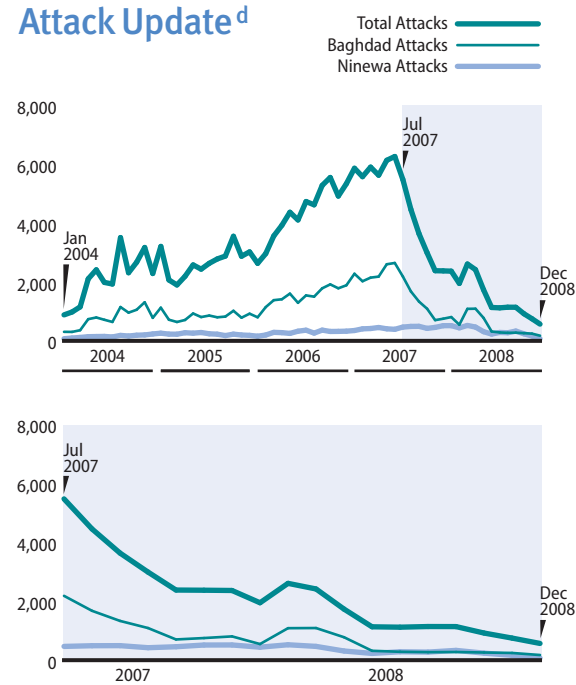[d] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.

SECURITY

The Security Agreement (SA) between the GOI and the United States defines the terms under which U.S. forces can operate in Iraq over the next three years, notably limiting the permissible scope of unilateral U.S. military action. Although Iraq's security environment continues to see acts of violence, the country appears to be stabilizing as the security profile of U.S. forces shrinks.

Since June 2007, attacks decreased by 86%, and civilian deaths due to violence by 80%. Iraqi Security Forces (ISF) deaths have fallen by 84%, and Coalition forces deaths by 88%.[92] Notwithstanding these improvements, sporadic incidents continue to mar the otherwise peaceful environment. For example, a December 11, 2008, suicide bombing killed more than 48 people in Kirkuk, and at least 40 were killed during the Ashura pilgrimage in Baghdad on January 4, 2009. The latest bombings underscore the fragility of Iraq's recent security gains, adding new urgency to U.S. efforts to train and equip the ISF so that it can maintain order after U.S. troops depart. For more information on the attack trends, see the graphic factsheet on the previous page.

The number of ISF battalions in the lead or capable of conducting counterinsurgency operations is steadily increasing, as recent operations in Basrah, Diyala, Missan, Ninewa, and Sadr City have demonstrated. But the ISF continues to rely on the Coalition for logistics, fire support, communications, close-air support, intelligence, and surveillance and reconnaissance.[93] The four areas of emphasis through mid-2009 also remain unchanged: ensure Iraqi forces continue to improve in logistics, maintenance, and life support; ensure the size, capability, professionalism, and leadership of the ISF to enable increasing assumption of additional security roles from Coalition forces; enhance the capabilities of Iraqi Special Operations and Counter-Terrorism Forces; and ensure Iraqi Air Force and Navy growth stay on track.[94]

Iraqi Special Operations Forces (ISOF) and special police units also performed effectively to disrupt al-Qaeda and foreign fighters. ISOF planning continues to improve, but it relies on Coalition intelligence, close-air support, and logistics during operations.[95]

In December 2008, DoD announced that 165 of the 185 Iraqi battalions are leading or operating independently of Coalition support, an increase of 89% since October 2007. Several other security milestones have been reached:[96]

- Wassit and Babylon provinces transitioned to Provincial Iraqi Control (PIC). The remaining five provinces—Salah Al-Din, Tameem, Diyala, Ninewa, and Baghdad—are expected to transition by June 2009.
- A significant number of Coalition detainees were released or transferred to GOI custody this quarter. These Iraqi prisoners will be released in a safe and orderly manner or prosecuted under Iraqi law, as prescribed by the SA.

An Iraqi police officer casts his shadow on the wall of the Balat police station. (MNF-I photo)

- The process of transferring the Sons of Iraq (SOI) from the United States to GOI budgetary responsibility continues apace.
- The United States turned over responsibility for security in the International Zone to the GOI.

Since 2003, the United States has allocated $25.3 billion and obligated $22.59 billion for the security and justice sector. As of December 31, 2009, $19.63 billion had been expended.[97]

Security Agreement—The Tipping Point

The SA provides the legal basis for a continued U.S. military presence in Iraq, establishing a departure date for U.S. forces of no later than December 31, 2011. U.S. forces operating within the jurisdictions of Iraq's cities, towns, and villages must withdraw by June 30, 2009. However, the commander of the Multi-National Force-Iraq (MNF-I) has indicated that some U.S. troops will remain in the cities after the summer.[98] Furthermore, a referendum to be held in mid-2009 could terminate the SA and expedite a complete pullout.[99]

Following approval by the Council of Representatives, Iraq's Presidency Council ratified the SA on December 4, 2008. Under the agreement, the GOI will determine which operations may be carried out by U.S. forces, and limitations have been set on the searching of homes and buildings. The SA also places contractors under Iraqi jurisdiction and calls for contractors detained by U.S. forces to be handed over to Iraqi

authorities. However, after the SA was finalized, the GOI issued a ministerial order that will delay full implementation of the SA, until the MOI develops rules governing its application.[100]

Private Security Contractors

A significant element of the SA relates to Private Security Contractors (PSCs), which play an important role in supporting current reconstruction and diplomatic operations in Iraq. Questions regarding the costs, functions, and legal status of contractor personnel in theater have been the subject of review by both the U.S. and Iraqi governments. The terms and conditions set forth in the SA ended the immunity for PSCs in Iraq as of December 31, 2008, which inevitably will bring changes to their operations:[101]

- PSCs may raise their costs considerably, and some may decide that the risks of operating without U.S. government protection are too great to continue their contracts.
- A reduction of the U.S. military footprint in Iraq may create greater demand for PSCs. At this time, however, the nature of the operational and financial impact of the SA is difficult to assess.

An Iraqi National Police officer takes the lead at a checkpoint with U.S. forces advising. (MNF-I photo)

The nature of PSC support varies based on the types of services requested and the geographic location of the project.[102] USAID reports that several changes following the passage of the SA will affect the scope of its PSC support, including:

- registration and licensing requirements imposed by the GOI
- changes in the U.S. military footprint in Iraq[103]

Responding to a congressional mandate, SIGIR has completed a comprehensive plan for audits of PSCs operating in Iraq. As part of executing that plan, SIGIR accomplished an audit this quarter of **Aegis Defence Services**, a major provider of security services to DoD in Iraq. The audit found that, as of November 2008, Aegis had received $624.4 million for those services, involving seven contracts. Approximately $612.8 million or 98% of those funds were received on three Reconstruction Security Support Services (RSSS) contracts.[104]

In addition to contract costs, the government provides life-support services and vehicles to Aegis personnel at substantial cost, estimated to exceed $57 million per year. The government also provides other services and supplies, including ammunition, vehicle maintenance, and fuel. SIGIR made three recommendations to improve contract administration.[105] For a summary of this report, see Section 4.

Continuing Transfer of Sons of Iraq to GOI Responsibility

Iraq's security environment improved significantly in 2007–2008 in part because of the SOI program.[106] According to the Multi-National Corps-Iraq (MNC-I), approximately 99,000 SOI members are being integrated into the ISF or provided other employment opportunities.[107] As of January 1, 2009, 76% of Iraq's SOI members were under GOI control.[108] This quarter, SOI members in Diyala, Wassit, Babylon, and Qadissiya provinces joined those already under GOI control. The GOI began paying the salaries of members from Diyala, and MNC-I will continue to pay the members from Wassit, Babylon, and Qadissiya through February 2009.[109]

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (NDAA) specified that the U.S. government should take action to ensure that Iraqi funds are used to

pay the costs associated with the SOI. As of December 15, 2008, the GOI had assumed responsibility for paying 93% of the SOI members.[110] The GOI has pledged that 20% of the SOI will transition to the ISF.[111]

In an interview with SIGIR, the commander of the U.S. forces in Iraq said that the SOI transfer program is "progressing nicely" and that the United States had moved responsibility for payment of all the SOIs in Baghdad to the GOI. The focus in 2009 is transitioning many SOI members to permanent employment. Efforts to provide technical training and to link trainees to subcontracts for project work have been going well; contract bids that employ SOI members receive preferential treatment.[112] For more information on the status of the SOI, see the Security graphics factsheet.

Daughters of Iraq

The GOI faces increased demand for female security personnel because of the large increase in female suicide bombings: 41 women carried out suicide attacks in 2008, compared to 8 in 2007.[113] As a result, the GOI has increased efforts to hire women into the police and volunteer security programs to provide a culturally acceptable means to search women and deal with related threats. To date, approximately 1,000 women have joined the Daughters of Iraq, partnering with the SOI to provide an added security capability in the provinces of Baghdad and Diyala, as well as some areas of Salah Al-Din.[114]

GOI Security Analysis

Iraqis are preparing security plans for the upcoming provincial elections to be held on January 31, 2009. Although Iraqis fully control this event, MNF-I will advise Iraqi security planners.[115] Since the 2005 election, the ISF has doubled in size, and its ranks have become much more capable.[116]

On December 10, 2008, Prime Minister al-Maliki addressed a gathering of local leaders in Kerbala, praising the resolution and determination of all Iraqis regardless of ethnicity or sect and highlighting the changes in Iraq in the years since the fall of Saddam's regime. He said:

> Iraq has become a state. Two or three years ago, Iraq was not a state. Baghdad was besieged. Even the officials were not able to leave Baghdad to Kerbala, Al-Anbar, Diyala, or Salah Al-Din. Today, all Iraq's roads are open… [and] safe, God be praised. This is a serious and great achievement. The agreement on the withdrawal of forces has come to stress to us and to the Coalition forces that the Iraqi forces now enjoy a high degree of preparedness…. This is a success that we have achieved while we were in the field, fighting terrorism, making sacrifices, and offering martyrs.[117]

Recent Developments in U.S. Programs

The security and justice sector receives the largest portion of U.S. funding for reconstruction in Iraq. Funds are drawn from several accounts, including the ISFF, CERP, IRRF, ESF, and funding for the Department of State's Bureau of

TABLE 2.9

U.S. SUPPORT OF SECURITY AND JUSTICE ($ MILLIONS)

FUND NAME	PROGRAMS	OBLIGATIONS	EXPENDITURES	% CHANGE IN EXPENDITURES FROM LAST QUARTER
ISFF	All Programs and Categories	$14,391.35	$11,765.64	7%
CERP	Battle Damage	$38.27	$31.76	11%
	Civic Infrastructure Repair	$91.11	$70.63	5%
	Protective Measures	$353.15	$270.53	13%
	Detainee Release Payments	$0.89	$0.54	6%
	Law & Governance	$96.51	$87.40	6%
ESF	Marla Ruzicka Iraq War Victims Fund (Transferred to the IRRF)	$29.91	$14.95	50%
	Regime Crimes Liaison Office	$31.90	$27.69	0%
IRRF	Security and Law Enforcement	$4,937.00	$4,872.00	0%
	Justice, Public Safety, and Civil Society	$2,282.00	$2,185.00	0%

Notes: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the Summary of U.S. Funding. SIGIR did not receive current project- or sector-level reporting from all agencies, and some information was compiled from the IRMS.

Sources: IRMS, *MNC-I Quarterly Report*, 1/7/2009; USAID, response to SIGIR data call, 1/8/2009; ITAO, responses to SIGIR data call, 1/12/2009 and 1/15/2009; OSD, response to SIGIR data call, 1/16/2009.

International Narcotics and Law Enforcement Affairs (INL). For an overview of programs and changes of expenditures from last quarter, see Table 2.9.

This quarter, SIGIR conducted an audit of U.S. funding for programs supporting the ISF. The NDAA for FY 2009 prohibits the use of 2009 ISFF monies for infrastructure projects. Auditors found that much of the remaining ISFF dollars will be used to purchase equipment and provide training to complete, sustain, modernize, and enable the ISF.[118]

The Congress provided $3 billion for FY 2008 and a $1 billion bridge fund for FY 2009. MNSTC-I's current spend plan prioritizes the fund as follows:[119]

- 42% for equipment
- 30% for training needs
- 10% for sustainment support
- 8% for associated activities

SIGIR's new audit of the ISFF found that GOI funding of security forces increased over the last two years due, in part, to MNSTC-I's efforts to encourage the Iraqi government to become more self-reliant. Notwithstanding these improvements, continued ISFF support will likely be sought to ensure that the ISF possesses key capabilities necessary to provide for its security.[120]

The audit also found that MNSTC-I's internal documentation of cost-sharing negotiations and arrangements is insufficient.

Update on the ISF

With more than 600,000 personnel in its security forces,[121] the GOI continues to expand the ISF and at the same time remedy a persistent shortage of trained commissioned and non-commissioned officers (NCOs).[122] The United States focused ISF development in four areas: developing ministerial capability; improving military and police forces via the use of embedded advisors and unit partnerships; building the

logistics, sustainment, and training capability of the Ministry of Defense (MOD) and Ministry of Interior (MOI); and supporting the expansion of the army and police.[123]

Table 2.10 illustrates the total number of ISF trained personnel as of December 30, 2008. Figure 2.4 shows the historical trend of ISF training since 2005. Recruiting and accession of personnel are currently on track to meet force structure goals, though challenges remain. The MOI struggles with training because of a limited number of facilities, while the MOD faces a hiring freeze caused by budget constraints and end-strength authorizations.[124] These factors may limit the ISF achieving the desired 2008 force structure.

Non-commissioned Officer Corps

The NCO corps has grown significantly in the last year—notably in the junior ranks. Between January and July 2008, 6,772 NCOs graduated from the training program. As of the end of December 2008, more than 83,000 NCOs had entered into service in the Iraqi Army.[125] Currently, 70% of the targeted NCO positions are filled due, in part, to the focused rehiring of Saddam-era NCOs and officers. This quarter, the MOD vetted 13,789 officers from the former regime and allowed them to rejoin the Iraqi Army, where they are being retrained.[126] For more information, see Table 2.11.

TABLE 2.10

#### ASSIGNED AND TRAINED TOTALS FOR THE IRAQI SECURITY FORCES, AS OF 12/30/2008

FORCE	SERVICE BRANCH	ASSIGNED	TRAINED
Ministry of Defense	Iraqi Army	196,236	235,606
	Training and Support	23,452	22,930
	Air Force	2,006	2,843
	Navy	1,898	1,494
	Total MOD	**223,592**	**262,873**
Ministry of Interior	Iraqi Police	300,156	209,100
	National Police	41,044	52,513
	Border Enforcement	40,328	36,673
	Total MOI	**381,528**	**298,286**
Counter-Terrorism	Special Operations	4,160	4,564
ISF Total		**609,280**	**565,723**

Notes: Assigned numbers illustrate payroll data; they do not reflect present-for-duty totals. Trained figures include personnel who are AWOL and are away due to injury.

Sources: DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 31.

FIGURE 2.4

IRAQI SECURITY FORCES TRAINED
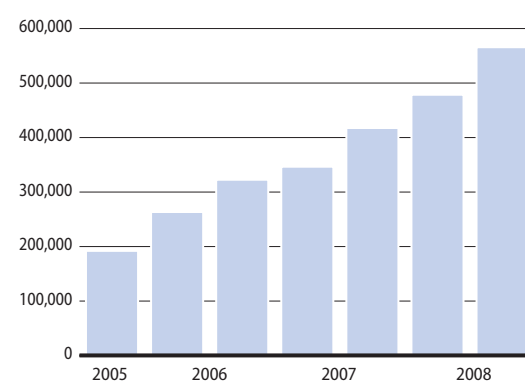
Note: Cumulative number of Iraqi Army, Air Force, Navy, Iraqi Police, National Police, Border Enforcement, and Special Operations Personnel.

Source: DoD, *Measuring Stability and Security in Iraq*, 7/2005, 10/2005, 2/2006, 5/2006, 8/2006, 11/2006, 3/2007, 6/2007, 9/2007, 12/2007, 3/2008, 6/2008, 12/2008.

TABLE 2.11

Registration of Former Officers and NCOs, as of 1/6/2009

Rank	# Registered
General	1,321
Lt. Colonel to Colonel	4,163
Lieutenant to Major	8,299
NCO	83,178
Total	**96,961**

Source: MNF-I, response to SIGIR data call, 1/10/2009.

Logistical Contracts and Life Support

A self-sustaining ISF requires the administration of a full range of logistical functions to support operations. However, GOI funding for these requirements dropped 46% from 2007 to 2008—a trend expected to continue in 2009 as falling oil prices threaten to further reduce the budget for the coming year.[127] Further impeding efficient delivery of logistics, all management decisions within the MOD must now be approved by the Minister of Defense, including the hiring of civilians and approval of all but minor facility maintenance contracts. In some cases, the Prime Minister must approve these actions. Until this improves, the MOD's acquisition, force management, and logistics processes will continue to be hampered.[128]

Continued U.S. support remains necessary, and approximately $260.7 million of the ISFF will be obligated from FY 2008 funds for MOD and MOI sustainment during FY 2009.[129] Recent and upcoming life-support highlights include:

- Life-support functions for the ISF stationed at Kirkush, Kirkuk, Al-Na'maniya, Al-Alil, and Al-Hamdaniya shifted to GOI responsibility. The United States had been supporting $17.6 million in life-support costs at these locations, but in 2009, it will provide only $9.3 million. Whether the GOI will pick up the balance is unknown.[130]
- U.S. appropriations continue to fund numerous logistics and life-support activities; $400 million in contract value continues into late 2009. The Camp Dublin Life Support and Training contract ($49.2 million) has been delayed until November 2009 and the Logistics Transportation Blanket Purchase Agreement contract ($12.0 million), which MNSTC-I will de-scope as needed, is planned to continue in August 2009.[131]
- Transfer of the National Maintenance Contract ($32 million) and the HMMWV maintenance program ($32 million) at **Taji National Depot** continues into 2009.[132] SIGIR will issue an audit on this contract next quarter.
- In 2009, the GOI will assume 14 life-support locations at an annual cost of $350 million.[133]

FIGURE 2.5

STATUS OF 2008 FOREIGN MILITARY SALES WITH IRAQ
$ Billions, Cumulative
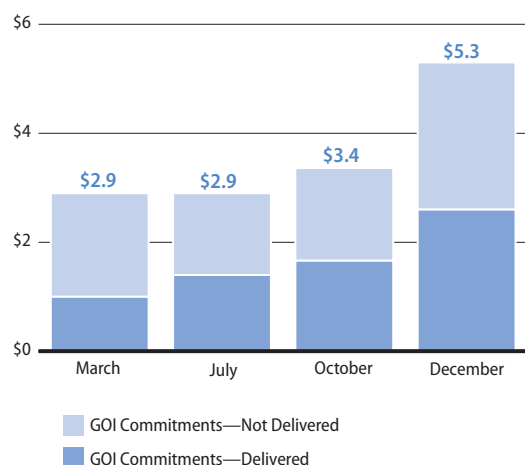
Note: Numbers are affected by rounding.

Source: MNSTC-I, response to SIGIR data call, 1/10/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008; Global Security Affairs, 7/7/2008; DSCA, response to SIGIR data call, 10/15/2008.

FMS Update

Prior to 2007, funding for ISF equipment and training was provided primarily through the ISFF. The GOI continues to rely on the U.S. Foreign Military Sales (FMS) program to purchase authorized defense-related goods, equipment, and services for ISF with Iraqi funds.[134]

This quarter, the Iraqi military requested more than $1.9 billion of equipment through FMS, including 3 strategic defense modernization programs to provide 140 M1A1 tanks, 24 Bell 407 armed scout helicopters, and six C-130J airlifters. At the end of the year, both the MOD and MOI transferred remaining investment funds exceeding $1 billion into their FMS Trust Fund accounts.[135]

To date, the MOD has executed FMS purchases totaling $4.3 billion. Purchases of $2.6 billion in 2008 demonstrate a nearly 200% increase from the total recorded from 2005 through 2007. The MOI has deposited $1.2 billion for purchases, of which $173 million was implemented in 2008. One of the largest

purchases involved 80 armored support vehicles.[136]

The average time required to process FMS cases has improved significantly, and the time for delivery has been reduced. However, much more work is required to improve the status of in-transit visibility and delivery dates and to fully meet timelines.[137] Transportation and delivery of equipment has improved through better coordination and the use of the Defense Transportation System. For more information on FMS, see Figure 2.5.

Justice

U.S. projects this quarter continued to focus on judicial security, courts, prisons, and detainees.

Establishing the Rule of Law

Improving judicial security in a high-threat environment remains a top priority. The Prime Minister directed the MOI to augment security for Higher Judicial Council (HJC) judges. To develop and implement an effective security strategy, it will be necessary to overcome institutional distrust of the MOI by the HJC. Other issues include adequately addressing patronage issues within both institutions and developing a plan that will meet Ministry of Finance requirements.[138]

This quarter, progress was made on the judicial security plan. Specifically, HJC and MOI representatives agreed on a broad framework that would have the MOI providing judicial

Courthouse in Anah, Iraq, rebuilt with assistance from Coalition forces. (DoS photo)

security while meeting HJC demands. Obstacles still loom because the plan lacks a budget and a set of commonly accepted training standards.[139]

The execution of court orders, including amnesty orders, remains a significant problem. The United States continues to support GOI agencies, including the Ministry of Human Rights, in their efforts to implement this crucial component of reconciliation.[140]

The physical condition of the courts, affected by years of Saddam-era neglect, and budget execution remain a concern. Funding responsibility for construction of courthouses continues to shift to the GOI, and many U.S.-funded court facilities are becoming operational. In the last six months, large, modern, U.S.-funded courthouses were opened in the Huriya and Rusafa districts of Baghdad, which will house 20% of the judges in Iraq. Other U.S.-funded courthouses are scheduled to open next quarter in Basrah and Hilla. The HJC reports that 10 courts are under construction, 9 additional courts are in the planning phase, and several improvement projects are planned for the provinces.[141]

This quarter, SIGIR inspected the **Anbar Rule of Law Complex**, which will help promote

a secure environment for Iraqi criminal justice officials to enforce the rule of law. This $21.4 million project was funded by the IRRF, ISFF, and the Iraq Interim Government Fund. SIGIR determined that the project results are consistent with the original project objectives. Specifically, the renovation portion of this project will provide three courthouses for judges to hear cases, a pre-trial detention facility, and facilities for training and office purposes.[142]

INL reported that the Major Crimes Task Force (MCTF) continues to develop, especially in the area of public corruption investigations. Recently, the public corruption investigation team initiated four new cases in addition to six ongoing investigations. MCTF teams are staffed by Iraqi officers from MOI Internal Affairs, the Inspector General's Office, and the National Information and Investigations Agency.

Courts Update

The U.S. government provides significant logistical and technical support to increase efficiency and security for the Central Criminal Court of Iraq (CCC-I) in Al-Karkh and Rusafa.

Docket Backlog

The United States has set short-, medium-, and long-term goals to assist the HJC in mitigating the docket backlog. In the short term, advisors from the Office of the U.S. Justice Attaché are assisting provinces by providing basic logistical assistance, such as helping courts to procure electrical service with the Minister of Electricity and installing basic file-management systems. Additionally, MNF-I provides assistance by transporting detainees to court and circuit judges to areas of Iraq still too dangerous to establish permanent court facilities.[143]

PRT Baghdad and the U.S. Embassy's Law and Order Task Force (LAOTF) established the **Rusafa Legal Defense Center**, which should reduce the judicial backlog by providing the legal services of 25 Iraqi attorneys to assist thousands of detainees. Since its inception, the center has conducted more than 4,200 detainee consultations and facilitated 2,176 inmate releases or transfers and 1,024 amnesty releases. Similar facilities are planned in several other provinces, including Anbar. LAOTF has also provided technical assistance to establish a basic system to assist court personnel in more efficiently locating and transporting detainees to court for hearings.[144]

U.S. personnel are also working with Iraqi courts and the MOI to improve the operating relationships between investigative judges and the police. One goal of this ongoing effort is to mitigate the delay caused by the transfer of investigative files between police and judges. With the recent graduation of a new class, the total number of HJC judges and prosecutors is now approximately 1,225.[145] However, only about 300 of these serve as investigative judges.[146]

To address the long-term capacity goals of the court system, INL is developing the **Iraq HJC Court Administration Project** to improve the HJC's budget execution capacity, case management, and other administration processes. Currently, the HJC lacks a centralized case-management system; thus, very few cases are being tracked. Long-term goals include standardizing a national case-management system, initially via a manual system and later through a phased-in computer system. The Judicial Education and Development Institute, scheduled to open in the first quarter of 2009, has set criminal case management as a priority in its curriculum development. Finally, U.S. government personnel assisted in basic management by planning for appropriate court administration office space, traditionally lacking, within new courthouses.[147]

Iraqi Chief Justice Medhat Mahmoud said that he does not think that the state-of-the-art, multi-million dollar courthouse built in the Rusafa neighborhood of Baghdad should necessarily be replicated throughout Iraq. Instead, he favors more modest projects tailored to provincial needs. This stance is consistent with Chief Justice Medhat's past decisions on spending money from the HJC budget. For example, based upon unique local issues, he supports a comprehensive rule-of-law center in Diyala, while advocating for a major crimes court just in Mosul. Progress has not been made at either location

FIGURE 2.6

FEDERAL COURT CASES RECEIVED AND SETTLED, 7/1/2008 – 9/30/2008

Lawsuits Received
Lawsuits Settled
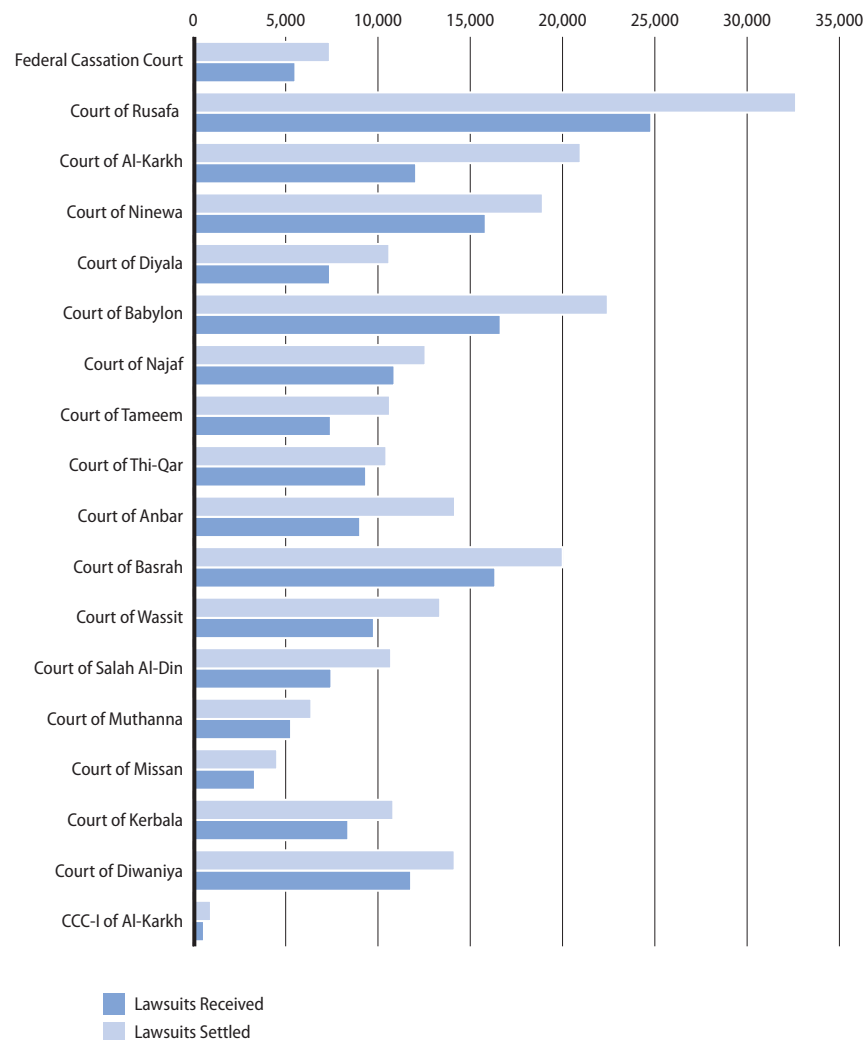
Source: GOI, Higher Judicial Council, 2008 statistical report, translated through U.S. Embassy-Baghdad, response to SIGIR data call, 1/10/2009.

because of delays in producing GOI-approved letters of request and in resolving property title issues.[148]

Trial and Appelate

Between July 1 and September 30, 2008, 77% of the active lawsuits were resolved, either through dismissal, transfer, acquittal, or conviction. The number of cases resolved has been rising slowly, and the HJC expects this trend to continue, citing increased judicial efficiency and better time-management practices by Iraqi judges and court personnel.[149] Figure 2.6 shows the number of cases settled by the Federal Appeals Courts.

MNF-I advises new Iraqi police officers. (DoD photo)

Detainees

MNF-I assists the U.S. Department of Justice by tracking caseload by calendar year. According to Task Force 134 (TF-134), 2,038 GOI detainees were presented for investigative hearings in 2008. More than 1,880 hearings have been completed, and 1,050 were referred to trial. Only 58% of suspects whose cases proceeded to trial were convicted in 2008.[150] This stands in stark contrast to the U.S. justice system, where federal conviction rates hover around 90%. An additional 1,882 cases are being processed.[151]

Due to the expeditious resolution of cases and issuance of detention orders by CCC-I investigative judges, TF-134 transferred the last of its charged female detainees to Iraqi custody. TF-134 also reduced its juvenile population from nearly 900 in 2007 to 60. Through extensive work with CCC-I's juvenile crimes judges and the Tobchi juvenile detention center, all but one of the juveniles held by MNF-I have been transferred to Iraqi custody. Twelve detainees who committed their offenses as juveniles were transferred to an adult facility population after turning 18.[152]

Amnesty Law Cases

The Presidency Council approved the Amnesty Law on February 26, 2008, allowing amnesty for Iraqis accused or convicted of certain crimes. The HJC reported that more than 158,000 petitions were brought before amnesty review boards, of which more than 80% were deemed eligible for amnesty.[153] However, the large number of petitions is misleading because, in many cases, individuals filed multiple petitions. In addition, 23,000 Iraqis released on bail, parole, or facing warrants were also granted amnesty.[154] See Table 2.12 for the status of eligible amnesty law cases.

Completion of Witness Protection Facilities

Four INL-funded witness protection facilities, totaling $9.2 million in IRRF obligations, were to be built next to four DoD-funded courthouses in Rusafa, Mosul, Basrah, and Al-Karkh. However,

TABLE 2.12

ELIGIBLE AMNESTY LAW CASES, 2/27/2008–1/15/2009

AMNESTY PETITIONS	RELEASED	DENIED
158,310	127,431	30,879

Source: GOI, Higher Judicial Council, response to SIGIR data call, 1/21/2009.

TABLE 2.13

STATUS OF WITNESS PROTECTION FACILITIES

LOCATION	COST TO DATE ($ MILLIONS)	PROGRESS TO DATE (% COMPLETE)	CHANGE FROM OCTOBER 2008
Basrah	$1.9	100%	2% increase
Rusafa	$2.9	100%	none
Al-Karkh	$2.0	100%	none

Source: INL, response to SIGIR data call, 1/5/2009.

the Mosul project was abandoned after a 2007 car bombing severely damaged the courthouse. As shown in Table 2.13, all projects have now been completed.

Prison Update

Five new INL-funded prisons are scheduled to open over the next 6 months, increasing prison capacity by more than 6,500 beds. These facilities should alleviate post-trial overcrowding, accommodate convict population growth, and allow closure of delapidated facilities. The GOI is in the preliminary stages of planning 4 new prisons with a total of 12,500 beds.[155] Figure 2.7 shows the status of prison construction.

FIGURE 2.7

PRISON CONSTRUCTION
Completed Status as of 12/13/2008
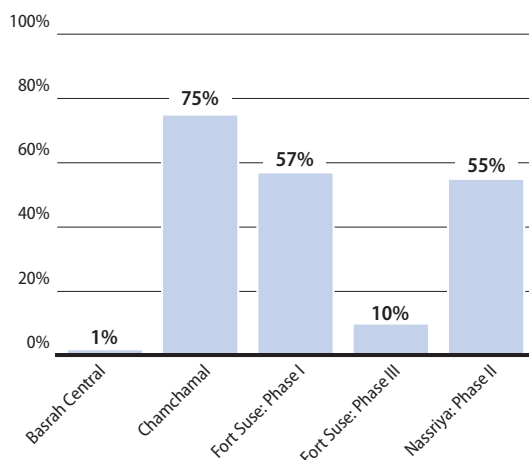
Source: INL, response to SIGIR data call, 1/10/2009.

Police Training

This quarter, SIGIR inspected **Baghdad Police College** to determine the status of actions taken to address previously identified plumbing deficiencies in the cadet barracks. SIGIR determined that the U.S. government had executed a successful quality assurance program, which ensured that the quality of construction was satisfactory and that the facility was operating at full capability when accepted by the U.S. government and when transferred to Iraqi operators. However, during SIGIR's site inspection—six months after turnover to the Iraqis—inspectors found the latrine facilities to be in a state of disrepair, caused by a combination of vandalism, theft, and a lack of routine maintenance. The Iraqis did not repair the damage caused by vandalism or replace the items removed by apparent theft. As a result, only portions of the new latrine buildings were usable.[156]

INFRASTRUCTURE

Major Ongoing GRD Infrastructure Projects[a]

Farabi and Jamila 132-kV Substations
- $48 million obligated, 88% complete
- Fund: IRRF 2
- Description: Two 132-kV substations constructed in Sadr City

Qudas Power Plant
- $169 million obligated, 93% complete
- Fund: IRRF 2
- Description: A power plant with 10 generators with overall feasible capacity of 738 MW, which can serve 638,000 homes (approximately 4 million people)

Nassriya Drainage Pump Station
- $20 million obligated, 80% complete
- Fund: IRRF 2
- Description: Will provide agricultural runoff drainage for 1.5 million hectares of irrigated land in southern Iraq and improve the Euphrates River water quality

Eastern Euphrates Drain
- $38 million obligated, 63% complete
- Fund: IRRF 2
- Description: Will serve 1.5 million hectares of farmland from Baghdad through southern Iraq

Basrah Children's Hospital
- $164 million estimated cost
- Fund: Various
- Description: State-of-the-art pediatric oncology hospital.

Note: Figures are estimates; locations on map are approximate. Numbers affected by rounding.
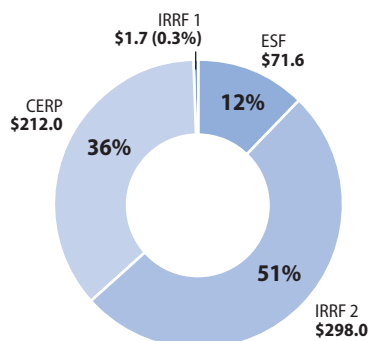
Sources:
[a] GRD, response to SIGIR data call, 1/5/2009; GRD, "Basrah Children's Hospital: Overview and Status Update," 1/5/2009. Photos: GRD, *Essayons Forward*, Vol 4, Issue 2; DoD, http://www.defenselink.mil/news/briefingslide.aspx?briefingslife=317, 1/13/2009; www.symbion-power.com/experience/sub_farabi.html, 1/13/2009; GRD, *Essayons Forward*, Vol 5, Issue 2.
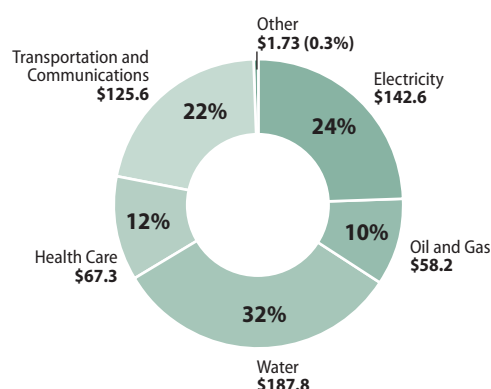
Obligations for Infrastructure [a]

Status of U.S. Funds
$ Billions

Allocated
$13.0

- - - - Obligated **$12.6**
- - - - Expended **$12.0**
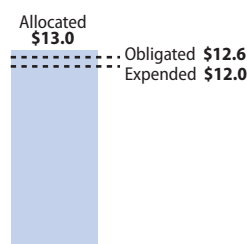
Unexpended Obligations, by Fund
$ Millions, % of $583 Million

IRRF 1
$1.7 (0.3%)

ESF
$71.6
12%

CERP
$212.0
36%

51%

IRRF 2
$298.0

Unexpended Obligations, by Sector
$ Millions, % of $583 Million

Other
$1.73 (0.3%)

Transportation and
Communications
$125.6
22%

Electricity
$142.6
24%

12%

Health Care
$67.3

10%

Oil and Gas
$58.2

32%

Water
$187.8

Infrastructure Highlights [b]

Oil—Weekly Average Oil Prices in 2008 (dollars per barrel)
- The price of Kirkuk crude oil reached an all-time high of $134 per barrel in July 2008 and fell to a nearly four-year low of $44 per barrel in January 2009.

$150 Jan 2008
$90   Dec 2008
$30
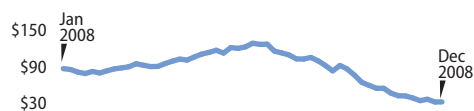
Electricity—Daily Feasible Generation Capacity (MW) in 2008, by Month
- Though challenges remain, the improved security environment has resulted in increased feasible generation capacity.
- Electricity production reached record levels this quarter.

10,000 Jan 2008
9,650   Dec 2008
9,300

Transportation—Daily Average Civilian Air Activity in 2008, by Month
- Baghdad Area Control center assumed responsibility of all airspace above 24,000 feet except in Mosul on January 1, 2009; daytime operations have been running smoothly and the Iraqi Civil Aviation Authority (ICAA) is expected to have control over tower operations by February 2009 once International Civil Aviation Organization standards are met.
- The first commercial flight between Europe and Iraq since the 1990 invasion of Kuwait landed in Baghdad from Copenhagen in January; more flights are expected from across Europe and from Hong Kong

Jan 2008
200
150   Dec 2008
100

Communications—Quarterly 2008 Wireless Telephone Subscriptions (millions of people)
- Total public and private investment in telecommunications has reached $10 billion.
- Kalimat Telecom continues plans to build the Middle East's largest wireless network across 5,000 towns in Iraq.
- A record 14.7 million people subscribe to wireless phone service.

Dec 2008
16
13   Jan 2008
10

Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the Iraq Reconstruction Funding chapter. SIGIR did not receive current project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 1, IRRF 2, ESF, and CERP funding. Totals also reflect the addition of IRRF 1 monies for the first time in SIGIR's quarterly reporting.

Sources:
[a] IRMS, *ESF Cost to Complete,* 1/5/2009; ITAO, response to SIGIR data call, 1/12/2009; IRMS, *MNC-I Quarterly Report,* 1/7/2009; DFAS, response to SIGIR data call, 1/9/2009; USAID, response to SIGIR data call, 1/12/2009.
[b] U.S. Energy Information Administration, "Weekly Iraq Kirkuk Netback Price at U.S. Gulf, 12/31/2008," www.eia.doe.gov, accessed 1/5/2009; ITAO, *IRMO Electric Daily Units Performance Report,* 1/1/2008–12/31/2008; *Economist* Intelligence Unit, "Iraq: Country Report," 12/20/2007, p. 13; U.S. Army Combined Arms Center Military Review, "Restoring Hope: Economic Revitalization in Iraq Moves Forward," 3/2008-4/2008, p.11; ITAO, response to SIGIR data call, 7/7/2008; U.S. Embassy-Baghdad, responses to SIGIR data call, 10/2/2008 and 1/5/2009.

INFRASTRUCTURE

The reconstruction and maintenance of Iraq's infrastructure must still address the considerable consequences of past war, sabotage, and neglect. The United States has allocated more than $13.00 billion, obligated more than $12.57 billion, and expended more than $11.99 billion for the reconstruction of Iraq's infrastructure sectors:[157]

- oil and gas
- electricity
- water
- health care
- transportation and communications

For the status of remaining U.S. funding in infrastructure by sector and funding source, see the graphic factsheet on the previous page.

Despite considerable U.S. investment in Iraq's infrastructure, surveys of Iraqi citizens over the last year show continuing dissatisfaction with the delivery of electricity, water, and health care. For example, a national survey conducted toward the end of 2008 indicated that only 16% of Iraqis are satisfied by the amount of electricity they receive, down from 32% who felt satisfied in 2007. Iraqis' satisfaction with health services fell from 36% to 26% over the same period. Only 31% were satisfied with the availability of drinking water—unchanged from a year ago.[158]

Oil and Gas

In the oil and gas sector, the United States has allocated nearly $2.05 billion, obligated more than $1.92 billion, and expended more than $1.86 billion.[159]

Export levels increased from the previous quarter, while oil production decreased. As shown in Figure 2.8, Iraq's oil revenue decreased because of falling oil prices.

Oil prices peaked on July 4, 2008, when the price of Kirkuk crude oil reached a record high of $134 per barrel.[160] Although the GOI had initially used $80 per barrel to estimate the 2009 budget, the price dramatically dropped to $44 per barrel by January 2009.[161] Iraq's 2008 oil income totaled $61.9 billion, below the $66 billion–$79 billion range forecasted in September 2008; this earlier forecast assumed an oil price ranging from $96.88 to $125.29 per barrel.[162] The GOI downwardly revised its 2009 budget based on a new forecasted average oil price of $50 per barrel for 2009.[163]

FIGURE 2.8

IRAQ'S 2008 OIL REVENUE AND PRICE PER BARREL
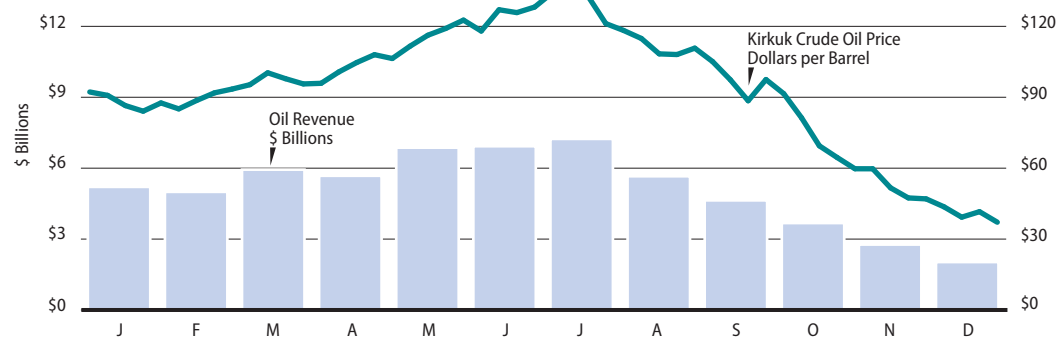
Note: Numbers are affected by rounding.

Sources: DoS, *Iraq Weekly Status Report*, 12/31/2008; U.S. Energy Information Administration, "Weekly Iraq Kirkuk Netback Price at U.S. Gulf, 12/31/2008," www.eia.doe.gov, accessed 1/5/2009.

Oil Production and Exports

Crude oil production averaged 2.37 million barrels per day (MBPD) this quarter—a 4% decrease from the previous quarter, but about equal to the same quarter in 2007. Although oil field management problems caused a noticeable decrease in crude oil production in the south this quarter, annual production for all of 2008 averaged 2.42 MBPD—an almost 15% increase over 2007 production of 2.11 MBPD.[164]

Exports this quarter averaged 1.79 MBPD, an increase of more than 3% over the previous quarter, but a 6% decrease from the same quarter in 2007. Southern exports were occasionally hampered by weather and the condition of undersea pipelines.[165]

Effective Iraqi maintenance of the oil infrastructure and equipment remains a concern. SIGIR's recent audit of Kellogg Brown & Root Services, Inc., oil projects funded by the IRRF in southern Iraq indicated that the GOI may not be properly maintaining oil facilities built under the U.S. reconstruction program. The audit expressed concern that the value of the contractor's effort could be diminished and possibly lost because of poor operations and maintenance practices.[166] For more information on this audit, see Section 4.

Refined Fuels

The GOI continued to struggle to meet domestic demand for refined fuels, failing to reach target

Table 2.14

Quarterly Trends—Imports and Production of Refined Fuels

	Production		Imports		Total Supply	
	Quarterly Average 10/1/2008–12/31/2008	Change from Same Quarter Last Year	Quarterly Average 10/1/2008–12/31/2008	Change from Same Quarter Last Year	Quarterly Average 10/1/2008–12/31/2008	Change from Same Quarter Last Year
LPG	2,986 TPD	+ 37%	4,144 TPD	+ 176%	7,130 TPD	+ 93%
Kerosene	10.01 MLPD	+ 81%	0.76 MLPD	- 51%	10.77 MLPD	+ 52%
Gasoline	10.93 MLPD	+ 29%	3.94 MLPD	- 38%	14.87 MLPD	+ 1%
Diesel	15.24 MLPD	+ 56%	1.81 MLPD	- 33%	17.05 MLPD	+ 36%

Note: Numbers affected by rounding. TPD denotes tons per day. MLPD is millions of liters per day.

Source: NEA-I, response to SIGIR data call, 1/5/2009.

levels for the last week of this quarter. Daily averages for the week ending December 30 showed a shortfall of 51% for gasoline, 36% for diesel, 24% for liquefied petroleum gas, and 15% for kerosene.[167]

Notwithstanding limited supplies, domestic production appears to be trending upward, as shown in Table 2.14.

EFC Support of the Ministry of Oil

The Energy Fusion Cell (EFC), part of the Multi-National Force-Iraq (MNF-I), works with the U.S. Embassy Economic Section, the U.S. Energy Attaché, and international donors to support Iraq's Ministries of Oil, Electricity, and Interior.[168] The EFC operates from the International Zone as a conduit of information on energy issues between the GOI and the U.S. Embassy, facilitating engagements between Iraq's energy stakeholders.

The EFC is assisting the Ministry of Oil to complete a number of ongoing projects:[169]

- **Baiji-to-Baghdad pipeline repair:** the first phase of this project is nearing completion and will supply natural gas, liquefied petroleum gas, and liquid fuels (gasoline, kerosene, and diesel) from production centers in the north to meet high demand in the Baghdad area.

Subsequent phases will repair additional pipelines in the corridor.

- **Naft Khana-to-Doura pipeline repair:** work began this quarter; when complete, the pipeline is expected to increase crude supplies to Baghdad by several thousand barrels per day.
- **Baiji-to-Mosul pipeline repair:** work began this quarter; when complete, the pipeline will provide bulk fuel movement from the Baiji refinery to the high-demand area of Mosul.
- **Baiji refinery complex upgrades:** numerous projects aim to reduce corruption and improve reliability, throughput, and yields.
- **Southern Export Redundancy Project:** a U.S. company has been awarded a contract to conduct unexploded ordnance surveys, bathymetric/geotechnical surveys, and front-end engineering design. Surveys are expected to begin soon.
- **Infrastructure security:** the EFC is identifying additional facilities and infrastructure requiring increased protection and conducting pre-contracting activities for follow-on investment by the Infrastructure Security Protection program.

The improved security situation enabled the K3 Oil Refinery in Haditha to reopen in 2008. (1st Marine Division Public Affairs photo by Lance Cpl. Paul M. Torres)

Pipeline Exclusion Zones

Given the GOI's dependence on revenue from oil exports, continuing efforts to improve security for Iraq's oil infrastructure and pipelines remain critical.[170] In a cost-sharing agreement with the GOI, the United States developed **Pipeline Exclusion Zone (PEZ)** projects, providing $110 million from the ESF for the **Infrastructure Security Protection (ISP)** program to prevent sabotage along Iraq's oil pipelines.[171] According to the U.S. Embassy-Baghdad, the ISP program has been a significant factor in reducing the vulnerability of critical infrastructure to damage or theft.[172] A SIGIR inspection last fall showed this program to be among the most successful of the entire Iraq reconstruction enterprise.

Although there have been reports of pipeline interdictions in other areas of Iraq in recent months, no pipelines within PEZ areas have been attacked since the project began in July 2007. However, GRD reports that because the GOI has not been providing sufficient numbers of security personnel and monitoring of the pipelines, the PEZ may be at risk after transfer to GOI control. GRD provided these updates on the PEZ program:[173]

- **Baiji-to-Baghdad (156 km):** GRD has completed 81% of the U.S. portion of the project, funded with $40.7 million of the ESF. The Iraqi Oil Pipeline Company has refused to accept completed segments because of a lack of Oil Protection Force personnel.
- **Kirkuk-to-Baiji (96 km):** The U.S. portion of the project was completed at a cost of $32.9 million. The GOI is constructing guard towers and an Iraqi Army headquarters.
- **Doura-to-Hilla (41 km):** The United States has completed two of three phases of this project, with 14% remaining for the third

phase. U.S. costs on this project are expected to total $12.7 million. Although the Ministry of Oil has refused to accept responsibility for the completed sections of this PEZ, the United States has unilaterally transferred the projects to the GOI.

Oil and Gas Contracting Rounds

On October 13, 2008, the Ministry of Oil presented contract terms to expand capacity at 6 oil fields and to initiate production at 2 gas fields to 41 pre-qualified companies. Bids from interested pre-qualified companies are due in April 2009, and the ministry reports that it will finalize the technical service contracts by the end of June 2009.[174]

On December 31, 2008, the ministry opened its second round of bidding for work at 11 oil and gas fields and identified 9 more fields for tendering. The ministry expects that the initial 11 fields could increase Iraq's production by 2.5 MBPD within 3 to 4 years once the contracting phase is complete.[175]

Hydrocarbon Legislation

Although progress on the hydrocarbon laws remains stalled, the GOI plans to continue efforts to award long-term oil field development contracts to international companies.[176] On October 26, 2008, the hydrocarbon framework law was resubmitted to the Council of Representatives Oil and Gas Committee but then returned without action to the Council of Ministers.[177] This measure provides that Iraq's

oil wealth is the property of the citizens of the country and creates a federal council to control oil and gas policy and to manage oil field exploration and development. There has been no progress on three other proposed laws in the hydrocarbons package, which provide for revenue sharing among private companies, provinces, and the federal government; restructuring of the Ministry of Oil; and regeneration of the Iraq National Oil Company.[178]

Transparency in the Oil Sector

In December 2008, the International Monetary Fund (IMF) said that more programs are necessary to strengthen governance and fight corruption, especially in the oil sector. Further, the IMF encouraged GOI authorities to complete work on the implementation procedures in conjunction with the Extractive Industries Transparency Initiative (EITI), which is an international coalition of governments, private companies, and other organizations that promote revenue transparency and accountability in the oil and gas sector.[179] The GOI is on track to achieve candidate status by the next EITI International Conference, scheduled for Doha in mid-2009.[180] The GOI has yet to attain specific goals required under the *International Compact for Iraq* to establish "an efficient, equitable, transparent and accountable system for the management of oil revenues and other resources."[181]

In 2008, the United Nations approved a UN Security Council Resolution (UNSCR) to extend the arrangement for depositing Iraqi oil and gas

revenues into the Development Fund for Iraq (DFI) account at the Federal Reserve Bank of New York. In May 2003, the DFI was created to serve as the primary financial vehicle for channeling revenue from Iraqi oil sales, unencumbered Oil-for-Food deposits, and repatriated Iraqi assets to the relief and reconstruction of Iraq. At the end of September 2008, the GOI had financial deposits of $23.5 billion in the DFI.[182]

The UNSCR also extended the monitoring duties of the UN's International Advisory and Monitoring Board (IAMB) for Iraq. IAMB's audit experts recommended that corrective action be taken to address a wide range of "serious weaknesses" that exposed the DFI, materially, "in terms of achievement of corporate objectives [and] financial results."[183]

Electricity

This quarter, average daily electricity production (including imports) reached a new post-war high of 4,997 megawatts (MW), or 119,931 megawatt-hours (MWh); this was an increase of about 2% from the previous quarter but 14% from the same quarter last year.[184]

The United States has allocated more than $5.07 billion, obligated more than $4.92 billion, and expended nearly $4.78 billion to improve Iraq's electricity sector.[185]

These are the GOI allocations made to the MOE:[186]

- 2007—$1.4 billion
- 2008—$1.3 billion
- 2008 (supplemental)—$1.0 billion
- 2009 (draft)—$1.1 billion

The GOI provided an additional $3 billion for contracts with General Electric and Siemens to purchase gas turbines that are expected to more than double national generation capacity.[187] The MOE's 2008 capital expenditures through September totaled more than $1 billion.[188]

Generation Capacity

Iraq's feasible generation capacity averaged 9,877 MW this quarter, up from an average of 9,530 MW during the same quarter a year ago. At the end of 2008, capacity was 10,052 MW, up from 9,572 MW at the end of 2007.[189]

As of December 31, 2008, U.S.-funded projects had added 2,683 MW capacity to Iraq's electricity grid,[190] including more than 1,100 MW added since 2007.[191]

Production

Although Iraq achieved a record average daily production (4,997 MW) and a new peak hourly generation record (6,247 MW) this quarter,[192] only about two-thirds of the estimated demand for electricity is being met.
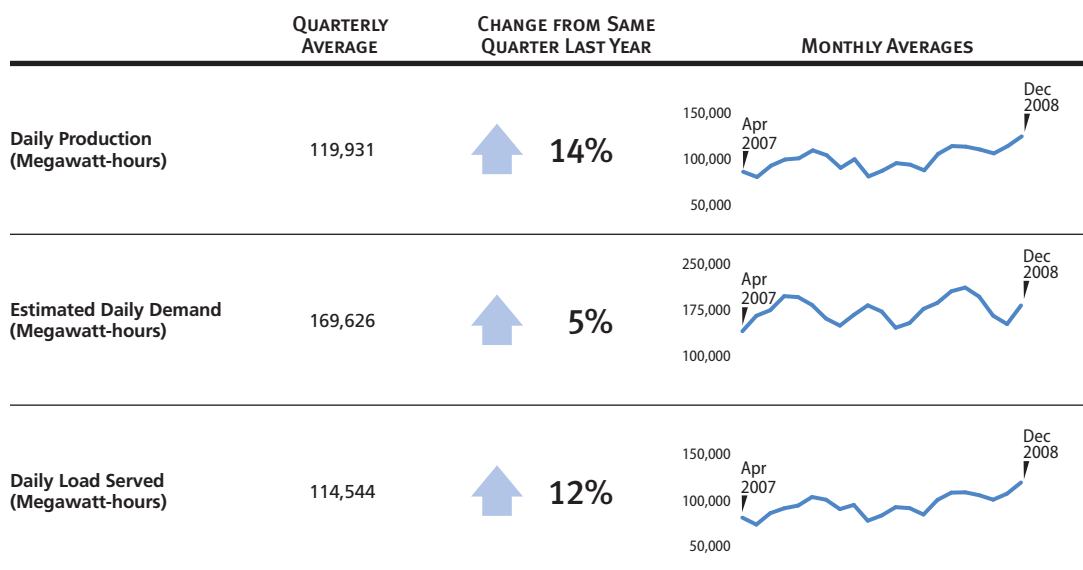
Increasing electricity production is limited by security and fuel supply challenges. Climate has also become an issue. Hydroelectric plants on average operated at just 15.4% of their feasible capacity this quarter, in part because of recent drought conditions. These plants accounted for 22% of Iraq's feasible generation capacity this quarter, but provided just 6.6% of the actual supply. [193]

Since 2003, an increasing number of Iraqis have supplemented electricity supply from the

TABLE 2.15

ELECTRICITY PRODUCTION, ESTIMATED DEMAND, AND LOAD SERVED

	QUARTERLY AVERAGE	CHANGE FROM SAME QUARTER LAST YEAR	MONTHLY AVERAGES
Daily Production (Megawatt-hours)	119,931	▲ 14%	
Estimated Daily Demand (Megawatt-hours)	169,626	▲ 5%	
Daily Load Served (Megawatt-hours)	114,544	▲ 12%	

Note: Numbers affected by rounding. Load served is measured and demand is estimated at the substation level in the provinces. Load served and estimated demand reported in previous SIGIR Quarterly Reports did not account for transmission losses at the power plants and substations.

Source: ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007–12/31/2008.

grid with small private diesel generators.[194] Private generation in Iraq has been estimated to amount to between 2,000 and 3,000 MW.[195]

Table 2.15 shows trends in production, estimated demand, and load served.

Operation, Maintenance, and Sustainment

The ultimate success of the U.S. reconstruction effort relies heavily on the ability of the MOE to execute an operations, maintenance, and sustainment (OMS) program. The United States has assisted the MOE with significant sustainment support funding, but the U.S. OMS program expired in October 2008. At the time of program completion, $201.49 million had been expended on these efforts.[196] The MOE entered into a follow-on contract with a vendor to continue the OMS services. This contract covers combustion turbine sites in the Baghdad and Baiji areas, but it does not include the thermal power plants originally covered under the U.S. program.[197]

SIGIR's new assessment this quarter of a project to construct a 132-kilovolt (kV) substation in Ramadi determined that GRD's factory and site-based training for Iraqi MOE operations and maintenance personnel appear adequate for the operation of the electrical substation.[198] For more information on this assessment, see Section 4.

Security of Iraq's Transmission Lines

The national electric transmission grid continues to be stable and has not suffered any severe attacks on a 400-kV line since April 2008. A year ago, eleven 400-kV lines were reported out of service because of interdictions. As of December 31, 2008, four 400-kV lines remain inactive. One line awaits repair parts, one has repairs in progress, and two are being moved to safer locations.[199]

Water

Since 2003, the United States has allocated $2.69 billion, obligated $2.61 billion, and expended more than $2.42 billion on projects to provide potable water, irrigation, and treatment of wastewater and sewage.[200] Through September 30, 2008, the GOI Ministry of Water Resources (MWR) had expended $189 million, and the Ministry of Municipalities and Public Works (MMPW) had expended $290 million in the water sector.[201] The GOI continues to struggle to provide clean water and sufficient wastewater treatment to a large segment of its population.[202]

Irrigation

Agriculture is suffering from the major drought in Iraq. Wheat and barley production is expected to drop 51% below average.[203] Authorities in Northern Kurdistan have been working with the United Nations Children's Fund (UNICEF) to limit the effect of water shortages.

On December 1, 2008, the GOI's MWR opened the **Nassriya Drainage Pump Station**, a critical component of the system that drains 1.5 million hectares of agricultural land in southern Iraq.[204] In March 2007, after spending more than $80 million of IRRF 2 funds to construct the pump station, GRD handed over the unfinished project to the MWR.[205] As part of the transition of responsibility to the Iraqis, GRD and the ministry signed a grant agreement that provided an additional $20 million of the IRRF 2 to partially support the final cost of the project.[206] The completion of this project will add 220,000 hectares of new farmland; by providing better runoff control, it will improve the quality of the Euphrates River.[207]

The **Eastern Euphrates Drain Project**, which is associated with the Nassriya Drainage Pump Station, has also been partially funded by a grant agreement with the Iraqi MWR. The $38.5 million IRRF project is more than 80% complete. The drainage system will enable Iraqis to reclaim 58,400 hectares of farmland and increase agricultural yields across a 400,000 hectare area.[208]

Water Treatment

U.S.-funded projects added capacity to produce 2.4 million cubic meters per day of potable water and to serve 8.3 million people.[209] About 5.1 million Iraqis benefit from U.S. construction projects that have added 1.2 million cubic meters per day of sewage treatment capacity.[210]

Key facilities in the water sector continue to operate below full capacity because of operations and maintenance problems. For example, in Thi-Qar province, GRD is working at the **Nassriya Water Treatment Plant** to improve management in support of the larger water supply project— the most expensive IRRF 2 initiative. In September 2007, when GRD turned this $278 million project over to the GOI, it had the design capacity to treat 10,000 cubic meters of water per hour. However, at the beginning of 2008, it was producing at less than a quarter of that capacity. A previous SIGIR inspection identified several reasons for this shortfall:[211]

- The GOI had failed to provide reliable power from the national grid.
- Leaks caused inefficiency in the distribution system.
- Personnel operating the facility had not been properly trained.

In the latter half of 2008, GRD awarded two contracts to improve operations and maintenance at the plant. These contracts provide for

TABLE 2.16

STATUS OF U.S. WATER PROJECTS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
Water Treatment	1,530	$1,070,681,160	69	$112,162,771
Sustainment (O&M)	447	$350,493,305	21	$13,655,676
Water Distribution	1,053	$334,567,497	88	$64,419,335
Misc. Facilities	1,258	$230,907,302	48	$16,974,360
No Category Provided	37	$219,836,102	-	-
Misc. Procurement	151	$181,799,983	12	$29,048,265
Sewage Collection	266	$162,913,071	47	$41,178,056
Water Resource	255	$153,445,344	26	$77,318,457
Sewage Treatment	74	$58,695,522	8	$31,924,762
Irrigation	144	$36,335,134	2	$268,490
Capacity Building	79	$34,422,664	13	$4,510,194
Solid Waste	32	$4,871,989	6	$3,953,462
Civil Activities, Vehicles, Clean-up	40	$2,386,973	1	$40,000
Spare-part Replenishment	18	$1,134,168	6	$65,900
Local Govt. Assistance	4	$937,710	-	-
Misc. Structures	6	$911,962	1	$19,330
Transportation (other)	5	$273,614	-	-
School Facilities	3	$198,010	-	-
Water Injection Pump Stations	1	$150,000	-	-
Health Programs and Equipment	2	$135,000	-	-
Small Business Initiatives	1	$133,800	-	-
Infrastructure Security	3	$45,998	2	$1,335,950
Agriculture	1	$26,000	-	-
Public/Municipal Buildings	1	$16,000	-	-
Battle Damage	1	$2,500	-	-
Generation	-	-	1	$49,550
Total	**5,382**	**$2,842,320,907**	**346**	**$396,924,560**

Note: Numbers affected by rounding. This list of reconstruction projects is based on information provided by the Iraq Reconstruction Management System (IRMS). SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals do not reconcile with top-line obligations and expenditures provided by these U.S. agencies. This table includes project values and not obligations or expenditures. Project count and cost may be different from the count and cost reported in previous reports because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.

Source: IRMS, *Global Benchmark*, 1/6/2009.

the purchase and installation of $1.1 million in test equipment and spare parts. A GRD support team at the plant has been extended through February 2009 to advise Iraqi technicians on the installation of the new equipment and to provide additional operations and maintenance training.[212]

GRD also continued to work with the GOI to implement **Phase II of the Falluja Wastewater System**. A SIGIR inspection of the system in a previous quarter found that the cost of the project had tripled from $32 million to $98 million and that the treatment plant had not yet been connected to the homes in Falluja.[213] Phase II accounts for $77.7 million of the funds already allocated to this project and is scheduled to be completed in September 2009.[214] Construction includes installing the main trunk lines and collection systems.[215]

For the status of U.S. water projects, as provided by the Iraq Reconstruction Management System, see Table 2.16.

The U.S.-managed Iraq-Commander's Emergency Response Program (I-CERP) administers Iraqi funds through CERP processes. I-CERP is currently working on 136 projects in the water sector, valued at just under $30 million.[216] Near Nassriya, a $6.8 million I-CERP project focuses on improving water distribution in five cities by connecting 10,000 homes to the Baddah Water Treatment Plant. To counteract persistent problems with sustainment, the contractor will also bring the local water authority on inspections and provide repair materials.[217]

Health Care

The United States has allocated $919.5 million, obligated more than $902 million, and expended nearly $835 million in the health care sector since 2003.[218]

U.S. Hospital Projects

The **Missan Surgical Hospital**, a $12.7 million facility in Amara,[219] is scheduled for completion in May 2009—three months ahead of original projections. This 100-bed hospital will have 4 operating rooms, a delivery room, an emergency room, and a pharmacy, which will enable it to provide health services in the fields of internal medicine, pediatrics, surgery, obstetrics, gynecology, and dentistry.[220]

To help alleviate overcrowding at **Ba'quba General Hospital**, the Diyala Provincial Reconstruction Development Council (PRDC) program is building a new expanded health-care center. This $7.4 million facility will have a trauma ward and operating rooms, as well as a 50-bed intensive care unit.[221] The center will serve the 280,000 residents of the city and those living in the surrounding area.[222] It is scheduled to be completed in June 2009.[223]

By contrast, the 94-bed **Basrah Children's Hospital,** slated for turnover to the Ministry of Health (MOH) in early February 2009, is expected to cost almost $164 million.[224] This facility will specialize in treating pediatric cancer.[225] It will be the first new hospital built in Basrah province since 1974. SIGIR inspectors found that construction of the main building was nearly complete during a visit in January 2009. SIGIR

plans to issue a report on the Basrah Children's Hospital in April.

In November 2008, SIGIR inspectors also visited **Haditha General Hospital**, which was severely damaged by insurgent attacks more than two years ago. This project is behind schedule because of changes in contract requirements. SIGIR found that the quality assurance program put in place by the government had helped to compensate for the poor quality control undertaken by the contractor. Once complete, the hospital will be able to provide adequate health care to the 100,000 local residents.[226]

For the status of U.S. health care projects in Iraq, as provided by IRMS, see Table 2.17.

Primary Healthcare Center Program

In March 2004, as part of plans to rehabilitate Iraq's aging health infrastructure, GRD contracted with Parsons Delaware, Inc., to build 150 **Primary Healthcare Centers (PHCs)** at a cost of $243 million.[227] This contract was canceled in March 2006 because of cost overruns, poor construction, and delays in completion. The U.S. government then bid the work to complete the partially built PHCs with local Iraqi contractors. By the end of 2008, GRD had turned over to the MOH the last of 133 PHCs: 131 are complete, and 2 in Diyala province are still under construction. GRD canceled 17 of the original projects and reports that 115 of these PHCs are open to the public.[228]

This quarter, SIGIR inspected the **Haditha and Heet PHCs**. The Haditha PHC was 40% complete at the time of the Parsons contract termination, and the Heet PHC was 60% complete. Both projects were then contracted to a local Iraqi firm for completion and handover to the MOH.[229]

Since handover, a lack of maintenance has caused rapid deterioration of the facilities. To counteract this problem, USACE initiated a $16.5 million assessment to identify the physical condition of U.S.-constructed health care facilities. The assessment will be used to develop a preventive maintenance program for each PHC.[230] SIGIR is currently preparing an audit of the Primary Healthcare Center Program and plans to issue a report in spring 2009. For more information on this inspection, see Section 4.

GOI Health Care Initiatives

In the 2008 budget, the GOI allocated $192 million to the MOH for capital expenditures, and it had expended $28.5 million by the end of September.[231] The MOH and GOI continue to make modest improvements in the delivery of health care and have embarked on a public-relations campaign to raise public health awareness in both print and electronic media.[232]

Construction has begun on 12 new health clinics in the province of Missan at a cost of $3.4 million each. This initiative was coordinated through the office of the Prime Minister, without assistance from the U.S. government or MOH.[233] However, the MOH has announced plans to build 6 more hospitals and 1,000 public health clinics in the coming decade.[234]

A woman receives medical care at Al-Muhandiseen PHC in Basrah. (GRD photo)

TABLE 2.17

STATUS OF U.S. HEALTH CARE PROJECTS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
Misc. Facilities	571	$207,621,659	16	$32,871,653
Primary Health Centers/Clinics	685	$163,147,995	122	$143,728,269
Hospitals	125	$141,842,333	24	$100,303,627
Health Programs and Equipment	243	$113,564,397	49	$2,671,316
No Category Provided	2	$19,328,908	-	-
Capacity Building	235	$12,617,803	8	$1,632,027
Sustainment (O&M)	67	$3,324,851	6	$21,268,525
Spare-part Replenishment	46	$2,570,269	1	$49,000
Infrastructure Security	6	$315,595	-	-
Public/Municipal Buildings	3	$275,245	-	-
Transportation	4	$217,100	1	$700
Irrigation	1	$177,000	-	-
Misc. Structures	5	$175,553	-	-
Employment Centers/Programs	1	$112,000	-	-
Civil Activities, Vehicles, Clean-Up	5	$54,720	-	-
Financial/Management Improvements	1	$30,000	-	-
Solid Waste	2	$27,425	-	-
Generation	1	$10,000	-	-
Food Production	1	$7,888	-	-
Small Business Initiatives	1	$5,175	-	-
Distribution	1	$4,000	-	-
Battle Damage	1	$1,115	-	-
Total	**2,007**	**$665,431,031**	**227**	**$302,525,117**

Note: Numbers affected by rounding. This list of reconstruction projects is based on information provided by the Iraq Reconstruction Management System (IRMS). SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals do not reconcile with top-line obligations and expenditures provided by these U.S. agencies. This table includes project values and not obligations or expenditures. Project count and cost may be different from the count and cost reported in previous reports because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.

Source: IRMS, *Global Benchmark*, 1/6/2009.

TABLE 2.18

TRANSPORTATION METRICS

Number of Airports Open	9 Airports under control of the GOI: Mosul, Erbil, Sulaymaniyah, Tikrit, Baghdad, Anbar, Najaf, Nassriya, and Basrah
Number of Rail Lines	7 standard gauge lines between major cities such as Basrah and Baghdad, 3 long-distance lines, and potentially 2 more lines as preliminary studies go forward
Port Activity	Port of Umm Qasr averages 3 ships entering and exiting per day

Sources: GOI, Ministry of Transportation, *Enhancing Transportation Services*, 1/8/2009; DoS, *Iraq Weekly Status Report*, 12/31/2008, p. 15.

Vaccination Program

On October 30, 2008, the MOH completed a 5-day polio campaign, which vaccinated 97% of Iraq's 5 million children. Assisted by UNICEF and the World Health Organization (WHO), the MOH focused on areas with high numbers of returned internally displaced persons (IDPs). The MOH purchased the vaccines and provided transportation and other logistical support for the campaign, which was carried out using every hospital and primary health clinic across Iraq.[235]

Iraqi Health Summit in Dubai

The Iraq Development Program (an NGO), in conjunction with a GOI contingent (led by the MOH), hosted the Health Investment Seminar in Dubai on January 24–25, 2009. This event, co-sponsored by USAID's Tatweer program (also known as the National Capacity Development Program) and the WHO, aimed to match the various directorates of the MOH with private medical suppliers to help Iraq modernize its entire health system, from procurement to facility and human resource management. The ministerial delegation sought a source of medicines to address current shortages and to improve its communications and investment information systems.[236]

Transportation and Communications

The United States has allocated $1.15 billion, obligated more than $1.1 billion, and expended $979.3 million for transportation and communications projects since 2003.[237]

In 2008, the GOI allocated $638 million of its capital budget to the sector:[238]

- $322 million to the Ministry of Transportation (MOT); $55 million had been expended as of September 30, 2008.
- $316 million to the Ministry of Communications (MOC); $28 million has been expended as of September 30, 2008.

For transportation metrics in Iraq, see Table 2.18. For the status of U.S. projects as reported in the IRMS, see Table 2.19.

Aviation

Under the new Security Agreement, the United States will continue to assist in management of Iraqi airspace "until such time as Iraq has the internal capability to assume the task."[239] The Office of Transportation Attaché (OTA) and Coalition forces have prepared a plan to guide handover of all airspace control, which was presented to the Commander, MNF-I, on December 14,

TABLE 2.19

STATUS OF U.S. PROJECTS IN TRANSPORTATION AND COMMUNICATIONS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
No Category Provided	8	$402,477,458	-	-
Village Roads	1,203	$271,172,546	56	$37,824,585
Transportation (other)	578	$172,722,546	25	$4,554,550
Ports	61	$129,933,086	-	-
Communications Equipment	418	$106,891,569	17	$4,407,000
Airports	85	$95,624,917	13	$36,318,372
Railroad Stations	221	$58,343,687	8	$4,440,101
Bridges	176	$35,186,898	14	$14,103,814
Outside Plant	9	$15,510,865	3	$2,677,520
Postal Facilities	31	$14,441,381	-	-
Expressways	63	$13,388,240	17	$42,110,291
Infrastructure Security	25	$1,153,390	4	$579,463
Misc. Structures	10	$779,578	-	-
Misc. Facilities	10	$629,671	-	-
Points of Entry	6	$623,125	-	-
Agriculture	1	$578,374	-	-
Civil Activities, Vehicles and Clean-up	16	$449,513	-	-
Public/Municipal Buildings	3	$327,971	-	-
Capacity Building	4	$267,479	-	-
Education Programs and Equipment	2	$198,227	-	-
Distribution	1	$132,969	-	-
Hospitals	2	$125,260	-	-
School Facilities	2	$124,719	-	-
Generation	1	$114,020	-	-
Employment Centers/Programs	2	$88,600	-	-
Small Business Initiatives	1	$80,600	-	-
Local Govt. Assistance	3	$77,400	-	-
Police Facilities	1	$75,000	-	-
Democracy Building	1	$58,000	-	-
Misc.	2	$25,267	-	-
Spare-part Replenishment	1	$4,200	-	-
Health Programs and Equipment	1	$1,080	-	-
Condolence Payments	-	-	1	$39,321
Total	**2,948**	**$1,321,607,258**	**158**	**$147,055,016**

Note: Numbers affected by rounding. This list of reconstruction projects is based on information provided by the Iraq Reconstruction Management System (IRMS). SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals do not reconcile with top-line obligations and expenditures provided by these U.S. agencies. This table includes project values and not obligations or expenditures. Project count and cost may be different from the count and cost reported in previous reports because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.

Source: IRMS, *Global Benchmark*, 1/6/2009.

2008, and will be presented to the MOT in early 2009.[240]

A U.S. plan to transfer control of the civilian airspace to the Iraqi Civil Aviation Authority gives the **Baghdad Area Control Center (BACC)** control of all airspace above 24,000 feet as of January 1, 2009. DoS reports that daily activities have been running well.[241] Although the GOI is still heavily dependent on contractors to manage civilian air traffic, training of Iraqi controllers is underway at Baghdad and Basrah airports, as well as the BACC.[242] In addition, a team of three Federal Aviation Administration inspectors are in Iraq assessing whether airports are in compliance with the standards of the International Civil Aviation Organization.[243]

Roads and Bridges

The I-CERP program has funded 75 ongoing projects, valued at $45.5 million, to rehabilitate roads and bridges across Iraq. Coalition forces, the GOI, and Iraqi contractors have worked through the I-CERP to improve the road surface, security, and appearance of **Airport Road** in Baghdad. The GOI added $60 million to a $2 million U.S. CERP project.[244]

Construction of the **Al-Tannumah Bridge**, which spans the Shatt Al-Arab River in Basrah, is also funded by the I-CERP. Approved by the PRDC and the Director General of Roads and Bridges, this $11.6 million project meets the I-CERP goals of stimulating economic growth by enhancing the transportation system and increasing employment. The new structure will replace the existing pontoon bridge, which has

caused delays to river traffic of four hours or more.[245]

Railways

The MOT and the leadership of the Iraq Republic Railway will reopen a factory in Abu Ghraib that produces railroad ties. Because the cost of domestically producing railway ties is 40% of the cost of imported ties, the move will enable the MOT to rehabilitate more of the railroad system. To promote unity of effort in rail operations, OTA is also establishing an executive steering group, modeled after those created in ports and aviation. The new group will be led by OTA and the Deputy Commanding General, MNF-I.[246]

Ports

The U.S. government and the GOI are collaborating to rehabilitate the **Port of Umm Qasr**. The Iraqi port authority entered into contract with a Japanese consultant on December 1, 2008, to manage a series of port improvements using low-interest **Japan International Cooperation Agency** loans. These include a variety of civil-works projects, such as berth repairs and major channel dredging. The United States contracted with a Dutch firm to repair the cranes at the port, and work began on December 18, 2008. MNF-I requested additional oversight at the port, which has resulted in the formation of a Port Development Advisory Team that will oversee ongoing activities and provide guidance to port-authority officials.[247]

MNF-I and OTA are also assisting the Iraqis to bring the Port of Umm Qasr in compliance with the International Ship and Port Facility Security Code of the International Maritime Organization.[248]

Telecommunications

An estimated $10 billion has been invested in the communications sector by foreign and Iraqi investors since 2003.[249] Landline telephone usage held steady at 1.3 million subscribers this quarter, but Internet subscription fell nearly 17% to 688,410 subscribers.[250] However, the number of people using wireless telephones increased 13% to 14.7 million this quarter.[251]

The **Al Mamoon Telephone Switch Building**, the centerpiece of the Al Mamoon Exchange and Telecommunications Center in Baghdad, is 46% complete. This project was funded with $22.7 million of the IRRF 2 and originally scheduled for completion by December 2008, but GRD terminated the contract for default and has scheduled a re-award contract to be completed by April 2009.[252]

The MOC has connected Iraq to the fiber optic global network and upgraded its fiber optic infrastructure. The major remaining challenges for the continued improvement of Iraq's communications sector are the lack of telecommunications laws and independent regulations, as well as the need for modern management of the MOC and other telecom bureaucracies, such as the Iraq Telephone and Postal Company.[253]
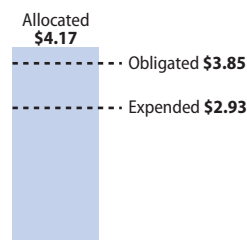
GOVERNANCE

Elections Timeline[a]

2005	2006	2007	2008	2009*

National Elections
December 2005

Provincial Elections
January 2009

National Elections
December 2009

*Kurdistan Regional Government Elections
TBD 2009

*Projected Dates

Status of U.S. Funds Supporting Iraq's Governance[b]
$ Billions

Allocated
$4.17

- - - - Obligated **$3.85**

- - - - Expended **$2.93**

Status of Iraqi Legislation To Promote National Reconciliation[c]

	Laws Drafted and Reviewed	Draft Referred to Council of Representatives/ Committee	Draft Amended by Committee	Vote Taken	Ratification Procedures	Law Published in Gazette
Government of Iraq Constitution	June 2005	August 2005	Date Unknown	October 2005	Date Unknown	October 2005
National Election Law	August 2004	January 2005	Date Unknown	June 2005	October 2005	November 2005
Provincial Election Law	October 2007	January 2008	February 2008	July 2008	September 2008	September 2008
Provincial Powers Law	October 2007	January 2008	February 2008	February 2008	Date Unknown	March 2008
Amnesty Law	October 2007	January 2008	Date Unknown	February 2008	Date Unknown	February 2008
Hydrocarbon Law	February 2007	March 2007	July 2007			
Private Security Contractor Law	August 2008	September 2008	October 2008	November 2008	December 2008	December 2008

Note: Numbers affected by rounding.

Sources:
[a] U.S. Embassy-Baghdad, response to SIGIR data call, 12/31/2008; UN, *UNAMI Focus*, Issue No. 26, 9/2008.
[b] USAID, responses to SIGIR data call, 1/8/2009 and 1/12/2009; ITAO, *Essential Indicators Report*, 1/1/2009; ITAO, responses to SIGIR data call, 10/14/2008, 1/12/2009, and 1/15/2009; IRMS, *MNC-I Quarterly Report*, 1/7/2009; DoS, response to SIGIR data call, 4/5/2007. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the Summary of U.S. Funding. SIGIR did not receive current project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 1, IRRF 2, ESF, and CERP funding.
[c] Iraq Ministry of Justice, www.iraqilegislations.org/laws, accessed 10/14/2008; GOI, Council of Representatives, "Law Drafts," http://www.parliament.iq/, accessed 10/14/2008; GOI, Council of Representatives, "Law Publications," http://www.parliament.iq/, accessed 10/14/2008; GAO, *Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed*, 7/23/2008; U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; GOI, Council of Representatives, "11/27/2008 Session," http://parliament.iq/, accessed 12/16/2008.

GOVERNANCE

Since 2003, the United States has allocated $4.17 billion for governance activities, including refugee assistance and programs to institute democracy, to build the capacity of the government, and to support human rights and education in Iraq. As of December 31, 2008, nearly $3.85 billion had been obligated and $2.93 billion had been expended.[254]

Beginning in January 2009, Iraq is holding its first provincial elections since 2005. The U.S. Ambassador to Iraq has identified these elections as a "critical test" of government administration, political organization, and voter participation in the country.[255]

Iraq continues to face challenges in fighting corruption. The laws governing all three anti-corruption institutions are being revised in an attempt to strengthen the organizations. The revision process is hampered by a lack of political consensus. The inspectors general, the Commission on Integrity (CoI), and the Board of Supreme Audit (BSA) have all proven generally ineffective in rolling back corruption in Iraq.[256]

Provincial Elections

The long-awaited provincial elections were scheduled to be held on January 31, 2009, in 14 of Iraq's 18 provinces.[257] During the last elections, in 2005, voters could only choose the candidate slate of a political party. In the upcoming elections, voters will be allowed to select individual candidates.[258] This "open list" system has spurred growing interest among candidates running for seats at the regional level. Nearly 1,300 candidates are competing for 35 Provincial Council (PC) seats in Basrah province alone.[259] Nationwide, more than 14,000 candidates from more than 400 political entities have registered.[260]

All major parties are supporting this election, which will set the stage for national elections in December 2009. The Independent High Electoral Commission (IHEC) expects to accredit more than 100,000 independent observers and partisan poll watchers to support voting sites across the country.[261]

Election Challenges

Although the security situation has improved across Iraq, Iraqi politics are still vulnerable to sectarian divisions among the country's major factions: Shias, Sunni Arabs, and Kurds. Under Article 23 of the *Provincial Election Law*, the provinces of Kurdistan (Dahuk, Erbil, and Sulaymaniyah) are to hold elections later in 2009, once disputes over sectarian demographics have been resolved through the Council of Representatives (CoR).[262]

Officials in the Diyala PC have requested a six-month delay in holding provincial elections because of the fragile security situation. Residents of the province have reported being intimidated, and candidates fear arrest or assassination as the elections draw near.[263] Moreover, because thousands of residents have been displaced from their homes, the validity of the electoral results is in question.[264]

Preparing for the Elections

The IHEC is an independent commission, subject to the oversight of the CoR and responsible for conducting elections for the National Assembly, PCs, and Kurdistan National Assembly, as well as coordinating the Referendum on the National Constitution and CoR elections.[265] The commission recently concluded voter registration for the provincial elections, including a nationwide voter registration update in August 2008.

The U.S. Agency for International Development (USAID) has obligated $102.6 million in technical assistance and training to support election efforts.[266]

Election Controls and Regulations

A National Security Plan is also being developed to provide a safe environment for voters to cast their ballots in the provincial elections.[267] In addition, anti-fraud measures are in place to combat attempts to manipulate election results. For the first time, the IHEC will print a voter list at each polling station, which is a significant measure aimed at preventing individuals from casting multiple ballots.

The IHEC has adopted comprehensive regulations for voter eligibility, electoral participation, and poll management.[268] The Provincial Election Law establishes punitive measures for electoral misconduct, and the IHEC recently provided guidance on punishable offenses, warning that intimidation or bribery of its staff or voters carries a punishment of at least one year in prison. Carrying weapons inside or within 100 meters of a polling center and interfering with electoral materials—such as doctoring ballots, destroying candidates' posters, or impersonating a voter—are also prohibited. Offenses committed by political parties or their members, candidates, and agents are subject to fines of nearly $43,000, and votes associated with offending polling locations can be excluded from the ballot count.[269]

Voter Education

As of December 2008, more than 150,000 Iraqi civilians had received training in the electoral process. The UN Office for Project Services (UNOPS) awarded micro-grants to 75 Iraqi non-governmental organizations to educate the population about pending provincial polls and national ballots.[270] The Electoral Education Campaign (EEC), designed by UNOPS with the UN Assistance Mission for Iraq and IHEC, aims to improve awareness about provincial elections and the electoral process.[271] The EEC has created the Electoral Education Forum, a joint advisory body for electoral education. The Forum developed the *National Electoral Education Plans* and the *Electoral Education Manual* to provide a strategic framework to guide public outreach activities.[272]

The United Nations Development Programme supports the election process by providing technical assistance to the IHEC. Accreditation procedures are being developed

Election security preparations at the Provincial Joint Coordination Center. (Joint Combat Center of Iraq photo)

for the media to enable safe access to some polling stations with electronic recording equipment. Other initiatives include a series of YouTube films and blogs on elections, training for local journalists and IHEC officials in the provinces, and radio programs to educate voters.[273] This quarter, a nationwide Election Coverage Network was launched by Media in Cooperation and Transition and UNAMI to provide objective reporting on elections, analysis of campaign issues, details of the voting process, and information on the role of the PCs.[274]

Participation of Minority Groups

On November 3, 2008, the Iraqi CoR passed Article 50, an amendment to the Provincial Election Law, allocating six seats for minorities on several PCs.[275] The UN had recommended double that amount. Some religious minority parliamentarians are unhappy with the decision and threatened to boycott the elections if the seat quota is not changed.[276] Under the new provision, Christians will receive one seat on each PC in Baghdad, Basrah, and Ninewa. The amendment, which applies only to the upcoming provincial elections, also reserves one seat for Yezidis in Ninewa, one seat for Shabaks in Ninewa, and one seat for Sabeans in Baghdad.[277]

Consistent with the constitutional requirement for representation in the CoR, the Provincial Powers Law stipulates that women fill at least 25% of seats in each provincial assembly.[278]

Article 140 and Disputed Areas

As in 2007, little progress was made in 2008 to implement Article 140 of the Iraqi constitution, which mandates referendums on disputed territories throughout Iraq.[279] KRG leaders began examining ways to ease tensions with the GOI following tense standoffs between military forces in September and December 2008.[280]

Disputed Areas Committee

In response to the growing Arab-Kurd divide, the KRG President proposed the formation of five committees, which includes the Disputed Areas Committee, aimed at easing tensions between the KRG and GOI. Formed in October 2008, the committee released a draft report on November 22, 2008, recommending several actions for the GOI to pursue in easing tensions between the two governments. Many of the suggestions, including clarification of the definitions of disputed territories, were already required in Article 140, but they have yet to be realized

by the GOI. Although the Committee will not conclude its findings until December 15, 2009, the U.S. Embassy reported that GOI implementation of these initial objectives could revitalize an increasingly powerless Article 140.[281]

UNAMI Assessments

Iraqi Kurds and the KRG have shown considerable interest in incorporating areas (Tameem, Diyala, Salah Al-Din, and Ninewa) with high Kurdish populations into the KRG; however, no vote on the subject has taken place. Originally scheduled for late 2007, the referendum was delayed until mid-2008[282] and has been delayed further in anticipation of a UNAMI assessment of border disputes.[283] This quarter, UNAMI conducted assessments in the provinces of Diyala, Tameem, Salah Al-Din, Ninewa, Erbil, and Sulaymaniyah and is currently preparing proposals that will assist the GOI and KRG in addressing the needs of all disputed territories.[284]

Ongoing U.S. Governance Programs

USAID and the Department of State continue to carry out democracy-building activities primarily funded by the Economic Support Fund. See Table 2.20.

Both the National Democratic Institute (NDI) and the International Republican Institute (IRI) are working with the GOI to prepare for provincial elections at the end of January 2009.

NDI is providing technical assistance to a network of NGOs monitoring polling stations on election day. The organization conducted a series of comprehensive campaign training modules for candidates and campaigners, advising on strategic planning and communication with citizens.[285]
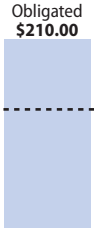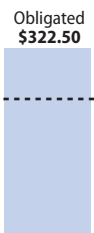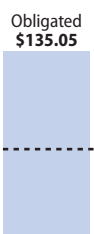
IRI is conducting seminars on campaign management and party organization for the upcoming elections. Most training focuses on grassroots campaign management and voter mobilization and incorporating tribal leadership elements to encourage tribal councils, which previously have boycotted elections, to participate in forming new provincial leadership.[286]

Tatweer Program Assistance

As of December 31, 2008, USAID has obligated $264.33 million and expended $145.18 million to the National Capacity Development (NCD) program, also known by the Arabic name for development, "Tatweer."[287] Since August 2006, the Tatweer program has assisted the GOI in building public management and professional training capabilities.[288] However, to bolster budget execution, the program's remaining work will focus on assisting Iraqi ministries[289] to better allocate funds through well-designed operational and capital budgets.[290] To ensure Iraqi ownership and sustainability of these efforts, Tatweer advisors work closely with ministries to integrate cost sharing into all Tatweer activities and to

TABLE 2.20

ONGOING ESF GOVERNANCE PROGRAMS
$ MILLIONS

PROGRAM	TOTAL OBLIGATIONS AND EXPENDITURES	PROGRAM UPDATE
Community Action Program II and III (CAP)	Obligated $210.00 — Expended $136.69	Description: Projects strengthen links between the Iraqi government and local communities by facilitating coordination with local and provincial governments and promoting transparency and local ownership of public goods. Status: • Direct beneficiaries: 19,430,550 • Short-term jobs created: 47,850 • Long-term jobs created: 16,644 • Number of projects completed since October 2007: 1,239
Local Governance Program II and III (LGP)	Obligated $322.50 — Expended $238.72	Description: Program works closely with Iraqis in all 18 provinces, actively supporting and complementing PRT initiatives to promote diverse and representative citizen participation in provincial, municipal, and local councils. Status: • Expanded training sessions to include the entire province of Diyala—a feat made possible by the increasingly stable security situation in the region. • Concluded training initiative in Diyala focused on discussing new legislation with local leadership. • Currently offers local training on more than 100 topics.
Community Stabilization Program (CSP)	Obligated $614.00 — Expended $502.59	Description: Short-term projects in neighborhoods and districts employing Iraqi youth in public works, generating employment, developing business, and providing job training. Status: • CSP has more than 1,600 projects, including cleaning campaigns, small-scale water/sewage services, renovation of health clinics, schools and parks, canal cleaning, and street repair. • Previous to December 2008, more than 270,000 youth have participated in CSP-sponsored activities, including sports, cultural events, the arts, life skills training, and other efforts that promote reconciliation and conflict mitigation. • Through its vocational training and apprenticeship efforts, CSP has supported more than 35,500 Iraqis who have graduated from vocational training, and more than 9,400 Iraqis have been placed in ongoing apprenticeship opportunities to help improve their employability in a challenging job market.
PRT Quick Response Fund	Obligated $135.05 — Expended $70.93	Description: Mechanisms for PRTs and ePRTs to support local neighborhood and government officials or members of community-based organizations, as well as small project needs for the provinces. Status: • As of December 27, 2008, QRF/IRAP funds were almost completely committed. As such, no more potential projects are being reviewed until further notice. • QRF has recommended that each PRT reprioritize all QRF proposals. In light of near-complete commitment of funds, QRF plans to release a package of information re-defining the competition process for funding.

Note: Numbers affected by rounding. CAP status is as of 10/31/2008.

Sources: USAID, response to SIGIR data call, 1/8/2009; DoS, *Quick Response Funds Newsletter*, 1/8/2008; USAID, "LGP Fosters Inter-governmental Relations in Diyala Province," 11/17/2008, accessed 12/15/2008; ITAO, *Essential Indicators Report*, 1/1/2009.

TABLE 2.21

HIGHLIGHTS OF TATWEER ACTIVITIES

TRAINING TYPE	STATUS
Government Accounting	At the request of their Director General, 48 Ministry of Electricity (MOE) employees received training this quarter in 3 sessions on basic government accounting. USAID/Tatweer advisors plan to follow up with two or three more sessions focused on finance issues specific to the MOE.
Computerized Maintenance and Management Systems (CMMS)	USAID/Tatweer Energy conducted a workshop for 14 MOE representatives. The goal of the workshop was to develop a work plan and specific priorities for the ministry.
Risk Analysis	USAID/Tatweer designed a risk analysis course for Iraqi engineers from the Ministries of Agriculture, Water Resources, and Municipalities and Public Works. The course provided the engineers with hands-on experience with contract and project management risk analysis.

Source: USAID, response to SIGIR data call, 12/31/2008.

gradually reduce U.S. financial support. For an overview of Tatweer training this quarter, see Table 2.21.

In November 2008, USAID's Office of Inspector General issued an audit on the results and impact of the NCD program that identified challenges in developing indicators that reflect the intended result of the program.[291] Further, the audit found that USAID needs to improve NCD monitoring, draft a capacity-development plan for the Ministry of Oil, and strengthen methodologies for measuring outcomes. The audit also reported that the measurement of the impact of results needs to more closely match its intended results and outcome measures.[292]

In response to the audit recommendations, USAID is planning to revise the Tatweer Performance Management Plan to add an indicator on budget execution, which would assist with measuring the improved service delivery of key ministries. Although there are complications with developing a capacity-development plan, USAID proposed an alternative program—the Organization Self-Assessment and Transformation Program, allowing ministries to self-diagnose their problems and develop their own strategies for addressing issues found.

The program is estimated to be completed in January 2009.[293]

Anticorruption

Despite its emphasis on 2008 as the "Year of Anticorruption," the GOI has made almost no progress in addressing chronic corruption problems in Iraq this year.[294] Three agencies tasked with combating corruption have had difficulty accomplishing their goals. As Iraq's Minister of Planning and Development Cooperation recently stated to SIGIR, the GOI has "failed to defeat corruption."

Iraq is currently working to revise the laws governing these agencies and to prepare a national strategy.[295] Notwithstanding this assessment, in 2008, the GOI has charged more than 300 Iraqi government officials with corruption, 87 of whom were convicted.[296] As of December 31, 2008, the Joint Anti-Corruption Council was still crafting a national anticorruption strategy, which is expected to focus on cohesion between Iraqi law and the pillars of the United Nations Convention Against Corruption.[297] Table 2.22 details U.S. efforts to strengthen anticorruption in Iraq.

Internally Displaced Persons and Refugees

More than 4.8 million Iraqis remain displaced from their homes: 2.8 million are internally displaced persons (IDPs), and the others live as refugees in other countries.[298] Despite the increasingly stable security situation in the country, only about 177,000 IDPs and 20,000 refugees have returned to their homes.[299]

U.S. Assistance to IDPs and Refugees

In FY 2008, the United States provided more than $398 million in humanitarian assistance—more than double the amount provided in FY 2007.[300] Despite the implementation of national directives to aid Iraqis in returning to their homes, no large-scale returns of displaced Iraqis are expected in the coming months. The lack of returnees points to GOI's difficulty in developing adequate returnee assistance programs. For this reason, U.S. programs focus primarily on GOI capacity building.[301]

U.S. efforts enhance existing institutions instead of creating new ones, and under a new voucher program, Iraqi returnees can receive legal assistance from local attorneys.[302] PRT Baghdad administers the program, funded with $3 million from USAID's Iraq Rapid Assistance Program. Working in cooperation with the Iraqi Jurists Association, the program provides basic legal services for IDPs and refugees.[303]

The Karkh Returnee Assistance Center, also located in Baghdad, was funded with an additional $3 million from USAID. Under the administration of the United Nations High Commissioner for Refugees (UNHCR) and the International Medical Corps, the Center registers families for financial compensation and assistance with property restitution and safety monitoring.[304]

TABLE 2.22

U.S. ANTICORRUPTION EFFORTS

$ MILLIONS

ORGANIZATION	PROGRAM VALUE	PROGRAM DESCRIPTION
United Nations	$8.00	The UN is hiring staff and finalizing a work plan for an anticorruption technical assistance program. Funding was awarded in September 2008.
USAID/Tatweer	$5.00	USAID/Tatweer uses its funds to conduct training sessions. As of 12/31/2008, more than 1,300 employees of Iraq's inspector general (IG) offices have received training through 18 different management and technical courses.
DoS/INL	$5.00	The Department of State's Bureau of International Narcotics and Law Enforcement Affairs is providing funding for six advisor/trainer positions and several short-term advisor positions to develop the capacity of investigators from the Iraq Commission on Integrity (COI). The mission of the COI is to prevent and investigate allegations of corruption within Iraq's central government and to refer cases to the judiciary.
MNF-I	$0.11	In February 2008, MNF-I used U.S. funds to perform specialized training for 135 IG investigators.
GAO	$0.11	In spring 2008, GAO provided training to four senior staff members for the Board of Supreme Audit (BSA).
GAO	$0.16	In February 2009, DoS plans to sponsor an Audit Fellowship to provide senior BSA staff with mentoring and training on best practices.

Source: U.S. Embassy ACCO, response to SIGIR data call, 12/30/2008; INL, response to SIGIR data call, 1/16/2009.

First Iraqi Air Force personnel support humanitarian airlift of supplies to internally displaced families at Camp Al-Manathera in Najaf. (U.S. Air Forces Central photo)

IDPs and Returnees

Almost half of Iraq's IDPs were displaced before 2006.[305] USAID reports that the overall rate of new IDP displacement has decreased "sharply" over the past year,[306] but continuing military operations in Sadr City, Basrah, and along the borders of Iran and Turkey make these areas of concern.

Of the estimated 177,000 IDPs who returned, 64% returned to homes in Baghdad.[307] International NGOs have requested that the GOI ensure areas are secure before encouraging displaced Iraqis to return home. Moreover, although IDPs continue to return at a slow but significant rate, the UN predicts that humanitarian aid will be necessary to help returnees reconstruct their homes and lives.[308]

In Mosul, UNHCR estimates that more than 2,200 Christian families fled after coming under threat and attack,[309] but as conditions improve, more are returning to the city. This quarter, 400 families returned home, and the GOI announced that each would receive about $865. Families still displaced would receive $250.[310]

Table 2.23 shows the number of IDPs who were displaced from each province.

Refugees

As of December 31, 2008, approximately 2 million Iraqis remain refugees. More than 18,400 resettled in the United States in 2008, including 3,004 Iraqis resettled this quarter. The U.S. Refugee Admissions Program (USRAP) began assisting Iraqis in FY 2007; and in 2009, it expects to resettle at least 17,000 Iraqi refugees.[311]
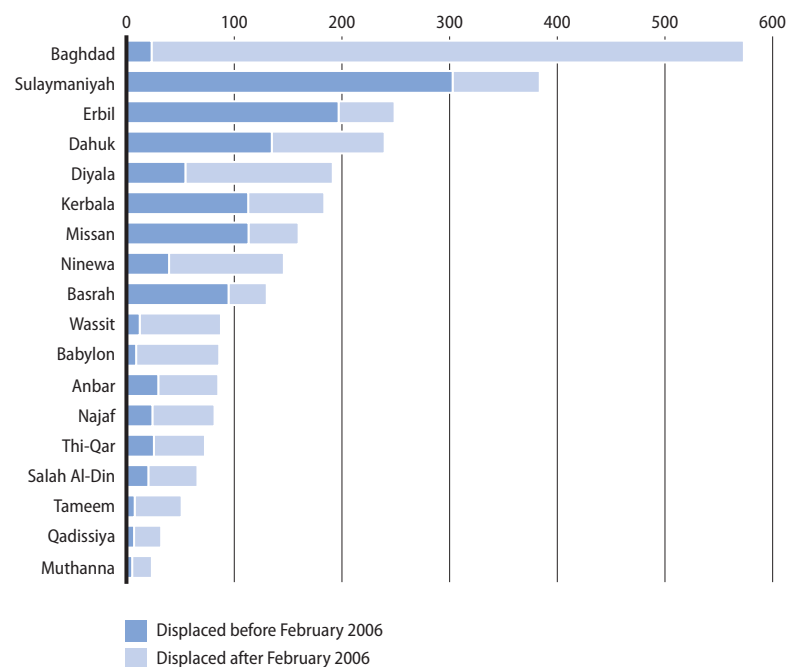
Consular services of the U.S. Embassy have been transferred to Baghdad, allowing the processing of immigrant visas in the capital.[312] Previously, Iraqi visa applicants had to travel to the U.S. Embassies in Amman, Ankara, or Cairo.[313] As of December 31, 2008, the Baghdad office had resettled 260 Iraqis.[314]

Processing security advisory opinions (SAOs) for each Iraqi applicant slows the resettlement process. Each SAO takes at least 150 days to clear. As of December 28, 2008, more than 3,190 Iraqi refugees had been approved for resettlement and are awaiting SAO clearance. Of these, 522 applied through the new processing center in Baghdad.[315]

Table 2.23

Displacement of Persons in Iraq
Thousands

Governorate	Value
Baghdad	
Sulaymaniyah	
Erbil	
Dahuk	
Diyala	
Kerbala	
Missan	
Ninewa	
Basrah	
Wassit	
Babylon	
Anbar	
Najaf	
Thi-Qar	
Salah Al-Din	
Tameem	
Qadissiya	
Muthanna	

- Displaced before February 2006
- Displaced after February 2006

Source: USAID, response to SIGIR data call, 12/31/2008.

Human Rights

On November 16, 2008, the CoR approved the establishment of an Independent High Commission for Human Rights (IHCHR), as mandated in the Iraqi constitution.[316] Plans to create the commission were presented to the CoR by its Human Rights Committee following months of work. UNAMI pledged to help the IHCHR appoint personnel and plan initiatives.[317]

Also in November, the Iraqi Parliament held a roundtable discussion with UNAMI and UNOPS to develop an **Iraqi Legislative Framework on Women and Children's Rights**.

The framework will include provisions to incorporate women into the political process, to protect women's rights, and to secure a level of social equality for them.[318]

Education

U.S. programs continue to support construction and rehabilitation of schools in Iraq. As of December 31, 2008, the United States had allocated $870.61 million, obligated $835.29 million, and expended $752.06 million in the education sector.[319] Table 2.24 provides a sample of large ongoing projects in this sector.

Classroom in Al-Iqitadar School in Anbar province.

Inspections at Anbar Schools

This quarter, SIGIR's Inspections Directorate assessed rehabilitation work performed at two schools in Anbar province.[320] SIGIR observed that the Al-Iqitadar School and the Al-Shurhabil School appeared to be capable of operating as fully functioning schools. However, SIGIR could not confirm that the schools were accommodating the maximum number of students because both schools were not in session. The construction appeared to be adequate, except that the air-conditioning units were not installed. Also, since power from the national grid has been unreliable, generator power should be considered to ensure continuous power to allow for an adequate environment for students. The lack of detailed design drawings, such as electrical and plumbing, may result in operation and maintenance problems for the schools. The lack of reliable permanent power and routine maintenance will ultimately affect the ability of these facilities to sustain full capacity operations over the long term.[321]

TABLE 2.24

ONGOING PROJECTS IN THE EDUCATION SECTOR
$ MILLIONS

PROJECT NAME	TOTAL COST	FUND TYPE	PROVINCE	PROJECT START DATE	FORECASTED COMPLETION DATE
BE/Zanobiya New Elementary School BSP-154	$4.25	ESF	Baghdad	11/19/2007	2/14/2009
BE/Design-Construct Salwa New Elementary School	$3.92	ESF	Baghdad	12/10/2007	1/1/2009
Electrical Engineering College Building Project, Kufa University	$3.72	ESF	Najaf	11/12/2008	11/5/2009
Al Basrah Talent School	$3.35	CERP	Basrah	9/14/2008	4/1/2009
PRDC - Design and Construct Abu Ghraib Secondary Boys School Campus	$2.76	ESF	Baghdad	7/30/2008	4/25/2009

Note: Numbers affected by rounding. Project name and total cost may be different from last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.

Source: IRMS, *Global Benchmark*, 1/6/2009.

Young girls go to school in Anbar.
(USAID photo)

Literacy in Iraq

The literacy rate of Iraq's citizens over the age of 10 is estimated at nearly 82%.[322] In the rural provinces of Dahuk, Sulaymaniyah, Muthanna, Erbil, Wassit, and Qadissiya, less than 75% of household members are considered literate.[323] Figure 2.9 shows each province's literacy rate for citizens over the age of 10.
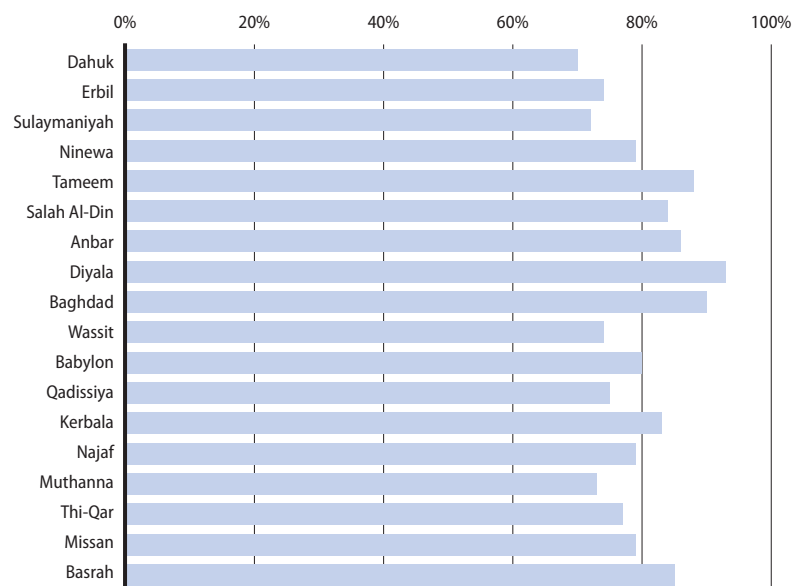
FIGURE 2.9

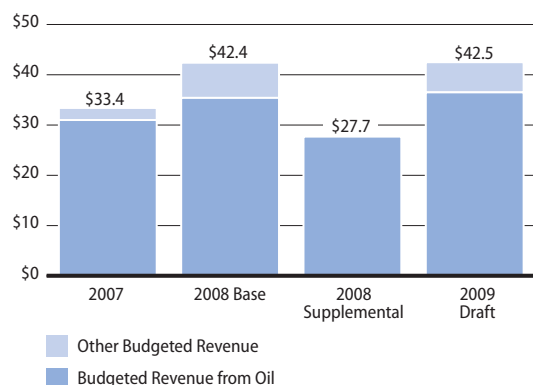### LITERACY RATES BY PROVINCE
Percent Literate

Note: Applies to household members over age 10. The data is based on a survey that was conducted in November-December 2007.
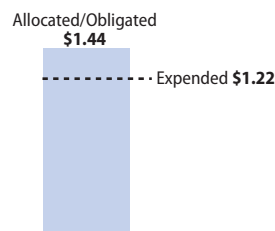
Source: UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008.

ECONOMY

Iraq's Budgeted Revenue[a]
$ Billions

Bar chart showing:
- 2007: $33.4
- 2008 Base: $42.4
- 2008 Supplemental: $27.7
- 2009 Draft: $42.5

Legend:
- Other Budgeted Revenue
- Budgeted Revenue from Oil

Status of U.S. Funds Supporting Iraq's Economy[b]
$ Billions

Allocated/Obligated
$1.44

Expended **$1.22**

Interest, Exchange, and Inflation Rates in Iraq[c]

Lending Interest Rate (Policy Rate)
Interest rate paid by Central Bank of Iraq (CBI) for commercial bank deposits.

In January 2009, the CBI cut its lending interest rate from 15% to 14%.

Jan 2005 — Dec 2008 (chart, range 0–20)

Exchange Rate
Average for the Iraqi dinar (ID) exchange rates against the U.S. dollar (USD) in the daily CBI auction.

The CBI plans to continue to manage the exchange rate as a means of keeping inflation under control.

Jan 2005 — Dec 2008 (chart, range 900–1,500)

Overall Price Inflation
Monthly inflation rate for overall consumer price index.

Inflation rates were greatly stabilized in 2008 due to improved security conditions and the continued appreciation of the dinar.

Jan 2004 — Nov 2008 (chart, range -15 to 15)

Core Inflation
Monthly inflation rate for core consumer price index that excludes the costs of fuel, electricity, transportation, and communications.

Core inflation in October and November 2007 was comparable to the core rate for October and November 2008 -- overall stabilization has greatly increased.

Jan 2004 — Nov 2008 (chart, range -20 to 20)

ECONOMY

The United States has obligated all of the $1.44 billion allocated for economic development efforts in Iraq and expended $1.22 billion.[324] For more information on these funds and the status of leading economic indicators in Iraq, see the graphic factsheet on the previous page.

A dramatic decline in oil prices over the past eight months has severely limited Iraq's economic prospects. The GOI estimates that oil will account for approximately 86% of government revenue in 2009.[325]

The GOI budget for 2009 was recalculated using lower oil prices (approximately $50 per barrel), reducing the planned 2009 budget from $79.8 billion to $59.5 billion.[326]

The prolonged drought has damaged the agricultural sector, the second largest employer of Iraqis.[327]

Iraq's financial sector appears to be avoiding most of the effects of the worldwide economic slowdown, chiefly because of low foreign investment and an immature banking system.[328]

GOI Budget and Expenditure

The 2009 draft budget, approved by the Iraqi Council of Ministers in December 2008,[329] reduces GOI budgeted costs from $79.8 billion to $59.5 billion.[330] Moreover, the proposed budget includes $12.2 billion for capital investment[331]—down almost $1 billion from the base capital budget for 2008.[332]

Revisions to the draft budget are a result of the drop in the price of oil. The Ministry of Finance (MOF) reduced the price for calculating revenue (for purposes of the budget) from $80 per barrel, when the initial 2009 budget plan was issued, to $50 per barrel.[333] Consequent rising expenditure rates and declining revenues prompted the issuance of a new draft budget for 2009, which revised revenue estimates and reduced budgeted costs where possible.[334] The GOI anticipates hiring freezes in the public sector and cuts to the Public Distribution System (PDS).[335]

Table 2.25 depicts GOI overall expenditures through October 2008.

Public Distribution System

The PDS is the largest public food distribution program in the world and one of the largest Iraq-funded programs; in 2008, PDS received over 8% of the GOI 2008 budget.[336] Although the final budget for the program is currently unknown,

TABLE 2.25
2008 GOI EXPENDITURES
$ BILLIONS

EXPENDITURE TYPE	TOTAL EXPENDITURES YTD 10/2008
Salaries	$13.8
Goods and Services	3.5
Interest	0.3
Assistance	0.9
Grants	3.3
Social Benefits	5.3
Other Expenditures	5.6
Non-Financial Assets	3.5
Grand Total	$36.2

Note: Numbers affected by rounding.

Source: U.S. Treasury, responses to SIGIR data call, 12/31/2008 and 1/16/2009.

FIGURE 2.10

PUBLIC DISTRIBUTION SYSTEM: A FLOW CHART OF RESPONSIBILITY

Ministry of Trade (MOT) announces composition & quantity of food basket for the month.

MOT notifies Food and Flour Agents to collect the rations for distribution.

Food and Flour Agents collect coupons from households.

Wheat flour (paid for by MOT) is transported to the Food and Flour Agents for distribution.

Food and Flour Agents take the coupons to a warehouse or mill where they pay for the rations, and receive an invoice.

Food and Flour Agents collect the PDS items from the warehouse or mill.

Households collect PDS rations from the Food and Flour Agents.

Source: UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008.

the U.S. Treasury estimates that between $1 billion and $2 billion in PDS funds will be cut from the originally proposed $5.3 billion budget for 2009.[337]

Plans for substantive PDS reform, originally scheduled for November 2008, have been delayed. Many Iraqis see PDS rations as an indicator of the ability of the GOI to provide essential services. Elected officials, hoping to be reelected in 2009, do not want to appear unable to continue these services.[338] Nonetheless, small reductions to the PDS are taking place. Iraqi families deemed "better-off" than other Iraqis will be restricted from taking part in the program by mid-2009.[339]

Figure 2.10 shows the flow of PDS ration responsibility from the Ministry of Trade to Iraqi households. Rations are counted using paper ration cards, for which Iraqi families must reapply each November.[340]

Provincial Budgets

Overall, provincial budgets showed improved rates of execution for the first three quarters of 2008. As of September 2008, Najaf had spent 95% of its capital budget for 2008 (excluding supplemental funding)—more than any other province. Among the lowest expenditure rates were Ninewa and Diyala provinces.[341] The U.S. Treasury has reported that Diyala has yet to receive any of its funding for 2007.[342]

U.S. Support for GOI Budget Capacity Development

The U.S. Embassy Public Financial Management Action Group (PFMAG) leads U.S. efforts to support better budget execution in Iraq.[343] Table 2.26 provides a summary of PFMAG assistance efforts in Iraq.

Table 2.26

U.S. Support for GOI Budget Execution

National Support	Assisted GOI in documenting existing accounting framework to clarify budget reporting requirements
Provincial Support	Assisted several provinces in developing and submitting documentation that would allow them to receive GOI fund allocations
	Assisted the Ministry of Planning and Development Cooperation in conducting its national conference, where provincial officials submit their 2009 project plans
	Conducted workshops for 75 PRT and ePRT officials, training them in GOI budget execution processes
	Established a Provincial Project Tracking Initiative to provide updates on provincial projects
	Completed PRT *Budget Execution Advisors Handbook* (Second Edition)
	Visited Ninewa, Anbar, Basrah, Salah Al-Din, and Erbil provinces to answer budget questions

Source: U.S. Treasury, response to SIGIR data call, 12/31/2008.

Monetary Policy Measures

On January 4, 2009, the Central Bank of Iraq (CBI) cut its interest rate to 14%—a full percentage point reduction. Interest rate cuts are employed to encourage banks to lend money, in turn promoting private sector growth.[344]

The CBI is also focused on limiting dinar inflation. Inflation rates have remained steady through 2008.[345] As of November 2008, the inflation rate for the Iraqi dinar was only 1%, compared with 2% inflation last year.[346]

Considering the weakened state of the Iraqi banking system, the exchange rate is CBI's main policy instrument. As of December 2008, the Iraqi dinar exchange rate was 1,172 per U.S. dollar.[347] CBI has decided to gradually appreciate the rate of dinar exchange as a means of encouraging price stability within Iraq.[348] Between November 2006 and October 2008, the dinar appreciated by more than 20%.[349]

A lower inflation rate and an appreciating dinar have increased Iraq's buying power, thereby improving access to basic needs. For the status of Iraq's key rates, see the graphic factsheet that leads the Economy section.

Since October 2008, no progress has been made toward rebasing the value of the Iraqi dinar against the U.S. dollar. Treasury continues to recommend measures to improve the rates of exchange. Further, it recommends that the GOI reissue banknotes in denominations that are more convenient and less costly to produce.[350]

Economic Development

Although Iraq continues to face challenges in economic development, the country has

Table 2.27

IRAQ STOCK EXCHANGE STATISTICS

ACTIVITY	2007	2008
Listed Companies	94 companies	96 companies
Trading Sessions	119 sessions	139 sessions
Domestic Shares Traded	153 billion shares	148 billion shares
Value of Domestic Trades	$357 million	$251 million
Foreign Shares Traded	7 billion shares	15 billion shares
Value of Foreign Trades	$14 million	$19 million

Source: U.S. Embassy CETI, response to SIGIR data call, 12/31/2008.

experienced growth in private banking, improved access to micro-grants for small businesses, and increased value in the Iraqi stock market.

Iraq Stock Exchange

The Iraq Stock Exchange (ISX) experienced some growth in 2008.[351] Table 2.27 shows the year-end numbers. Although the number of shares traded dropped between 2007 and 2008, there has been noteworthy growth in the number of foreign shares traded.[352] The ISX opened to foreign investors in August 2007.[353]

State-owned Banks

In mid-December 2008, a private accounting firm completed financial and operational audits of Rafidain and Rasheed, Iraq's largest state-owned banks. In addition to a recapitalization need of 15.7 trillion Iraqi dinars ($13.08 billion), the audits identified operational weaknesses, including:[354]

- no documented strategy, business plan, or objectives
- no clear operational rules or regulations for employees
- no clearly allocated reporting requirements

- and responsibilities
- inadequate and outdated information technology and infrastructure
- inadequate risk management
- limited product offerings, including no letters of credit

The audits also included suggestions to help the MOF restructure the banks. Under the current restructuring plan, the MOF will take responsibility for all foreign debts and liabilities incurred by the banks under the old regime. The expectation is that this shift of responsibility will strengthen the banks' balance sheets.[355]

World Bank assistance has been requested, and other international organizations are expected to provide aid as well. Although the IMF considers these audits to be complete, the Iraqi government has yet to sign them, and the U.S. government will not consider the audits final until the GOI does so.[356]

As of April 2008, state-owned banks accounted for 90% of total assets in the banking sector.[357] There are currently seven state-owned banks in Iraq. These banks comprise nearly two-thirds of all domestically owned bank branches in Iraq, with a total of 397 located around the

TABLE 2.28

IRAQI DOMESTIC BANKS

BANK TYPE	NAME OF BANK	# BRANCHES
State-owned Banks	Rafidain Bank	150
	Rasheed Bank	150
	Agricultural Cooperative Bank	52
	Real Estate Bank	20
	Industrial Bank	14
	Iraq Bank	6
	Trade Bank Of Iraq	5
	Total State-owned Banks	**397**
Domestic Private Banks	Al-Warka Bank for Investment and Funding	68
	Investment Bank of Iraq	22
	Basrah International Bank for Investment	19
	Bank Economic Investment and Funding	17
	Iraqi Middle East Investment Bank	15
	Gulf Commercial Bank	11
	Iraqi Islamic Bank for Investment and Development	9
	Mosul Bank for Development and Investment	6
	Sumer Commercial Bank	6
	Ashur International Bank for Investment	5
	Ilaf Islamic Bank	5
	Kurdistan International Bank for Investment and Development	5
	North Bank	2
	Babylon Bank	1
	Union Bank of Iraq	1
	National Bank Islamic	1
	Al-Huda Bank	1
	United Bank for Investment	N/A
	Total Domestic Private Banks	**194**
Total		**591**

Source: U.S. Treasury, response to SIGIR data call, 12/31/2008, p. 14; Central Bank of Iraq, "Banks List," 12/31/2008, www.cbi.iq, accessed 1/9/2009.

country. Rafidain and Rasheed each maintain 150 bank branches. Table 2.28 lists these state-owned banks.[358]

Private Banks

Private banking development in Iraq requires a stable security situation. As the violence drops, private banks are able to open branches in new areas. Table 2.28 details private banking branches throughout Iraq. The largest of these is Al-Warka bank, with 68 operating branches. Several private banks are establishing themselves in provincial areas, reflecting the increasingly secure environment.[359]

TABLE 2.29

U.S. Small Business Assistance Programs

PROGRAM	PROGRAM UPDATE
CERP Micro-grants	As of December 2008, over 240 projects had received CERP micro-grant funding. All $1.16 million in CERP micro-grant funds has been obligated, and all but $50.00 has been expended. The remaining $50.00 has been obligated as part of a $1,150 project to establish a fish farm in Golden Hills, a town in Babylon.
Tijara Program (also known as the Provincial Economic Growth (PEG) program)	A Board of Directors and staff have been hired to run a new Microfinance Institution in Mosul. 65 officials from the GOI and Iraqi banking sector attended the first Small and Microenterprise Banking Networking Forum.
Community Stabilization Program	The CSP BDP grants program has created 25,293 long-term jobs (greater than 3 months). In a recent study of grants completed before 10/2007, 98% of the grantees were still in business.
Quick Response Fund	OPA has almost completed its portion of the QRF program; $33.6 million of $35 million has been obligated. USAID has distributed $51.5 million of its funding under the QRF. USAID considers $100 million fully obligated because it has signed a contract with a private contractor to manage IRAP funds; however, only $51.5 million had been spent as of December 2008.
Iraqi Company for Bank Guarantees (ICBG)	Originally formed with 11 banks, the ICBG has increased its membership to 13 banks. ICBG issued 75 new loan guarantees this quarter. ICBG also met the requirements needed to receive a third USAID grant of $1.5 million.

Sources: OSD, response to SIGIR data call, 1/9/2008; USAID, responses to SIGIR data call, 12/19/2008 and 12/31/2008; SIGIR Audit 09-011, "Opportunities to Improve Management of Quick Response Fund," 1/5/2009.

Micro-grants and Small Business Development

Several U.S. agencies have funded programs to promote small businesses in Iraq. Table 2.29 provides updates on U.S. funding for business development.

Quick Response Fund

The Quick Response Fund (QRF) has received $135 million to provide Provincial Reconstruction Teams (PRTs) with funding to support community projects, administered through two components:

- **Quick Response Fund-State (QRF-S)**—run by the DoS Office of Provincial Affairs (OPA), this piece of the QRF manages grants, micro-purchases, and direct purchases under $25,000 and grants over $500,000 (received $35 million for QRF activities).
- **Iraq Rapid Assistance Program (IRAP)**—run by USAID, this program includes grants and direct purchases of $25,000 to $500,000 (received $100 million for QRF activities).[360]

This quarter, SIGIR completed an audit of the QRF, finding that OPA had established a thorough process for choosing projects to give QRF funds. However, SIGIR also found that both OPA and USAID need to improve their processes and documentation for assessing the success of projects in meeting intended goals.[361]

Iraqi First Program

In an effort to bolster the Iraqi economy, DoD reconstruction managers developed the Iraqi First Program in 2006. The program encourages the use of Iraqi contractors and Iraqi personnel. During FY 2008, Joint Contracting Command Iraq/Afghanistan (JCC-I/A) reports that it awarded more than $2.34 billion in contracts to Iraqi vendors—an increase of $300 million over FY 2007.[362]

JCC-I/A encourages the use of Iraqi vendors by U.S. contractors as well. As of January 2, 2009, it reported 76,128 Iraqis employed within the U.S. contracting workforce.[363] Figure 2.11 shows the amount of U.S. funding awarded to Iraqi vendors in each province through the Iraqi First Program.
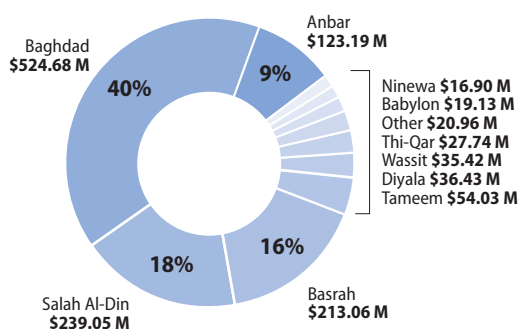
State-owned Enterprises

In June 2006, DoD established the Task Force to Improve Business and Stability Operation (TF-BSO) and tasked the organization with

FIGURE 2.11

IRAQI FIRST PROGRAM CONTRACTS BY PROVINCE
Percentage of $1.3 Billion

Note: Numbers affected by rounding. Other includes Dahuk, Erbil, Kerbala, Missan, Muthanna, Najaf, Qadissiya and Sulaymaniyah.

Source: JCC-I/A, response to SIGIR data call, 1/8/2009.

finding ways to stimulate economic development and grow employment in Iraq. One of TF-BSO's main projects has been the revitalization of Iraqi state-owned enterprises (SOEs). Prior to 2003, estimates indicate that these factories had employed approximately 15% of the population. More than $100 million has been provided to TF-BSO to revitalize these factories; however, due to the increase in GOI capital budget allowances for SOEs, no additional U.S. funding is expected.

This quarter, SIGIR conducted an audit of the TF-BSO's efforts to restart SOEs. Due to the lack of useable baseline data and weaknesses in the methodologies used to count the number of Iraqis re-employed by SOEs, SIGIR has had difficulty drawing conclusions as to the effectiveness of SOE revitalization.

Good baseline data would have provided assessment teams with information about the number of Iraqis employed by SOEs prior to 2003, as well as average factory production levels. TF-BSO reports two primary reasons for limited baseline data: security concerns prevented

assessment teams from touring facilities properly, and assessment teams were forced to rely on testimonial information to establish production levels and employment rates. Absent reliable data, the Task Force developed an alternative methodology to estimate a 24,500 job impact. Impact is defined as the number of people returning to work who were already on the SOE payroll but not working because a factory was inoperable or had limited work for all employees. SIGIR has been unable to validate this methodology, nor does it believe that it provides an accurate means of determining employment impact.

The audit also revealed internal control weaknesses. For example, as of November 30, 2008, about $18 million (61%) of TF-BSO funding obligated to restart SOEs was transferred electronically or provided in cash. These payments were specifically provided to support the purchase of raw materials and equipment for the SOEs; however, SIGIR has determined that TF-BSO did not obtain copies of invoices for these goods to verify the prices and products purchased.[364]

Agriculture

Small subsistence farms make up most of the agriculture industry in Iraq; 26% of Iraqis report having an agricultural plot of some kind. The most prevalently cultivated crops are wheat, barley, and rice.[365]

Although conditions are beginning to improve, severe drought caused barley and wheat production to drop 50% during the 2007–2008 harvesting season. Barley and wheat crops experienced the largest damage because they are primarily rain-fed. Higher quality irrigation systems protected rice crops from the same damage.[366]

Crops are planted between November and December each year, so drought conditions in the early months of the year can severely impact the harvest.[367] The drought's effects have placed at greatest risk the provinces of Erbil, Dahuk, Tameem, Diyala, and Ninewa,[368] where most grain production occurs.[369] The main impact of the drought on Iraqis will be lower income; for livestock owners, lower grain production will result in less available feed for the animals.[370]

The Ministry of Agriculture (MOA) enacted several measures to combat the effects of the drought, including a drought compensation package, subsidized feed, lower interest rates and fees on loans for farmers, and further subsidies on seeds that must be planted before the end of 2008. In addition, the MOA has raised the guaranteed purchase price for barley and wheat for the 2009 crop. The U.S. Department of Agriculture has received mixed reports as to the effectiveness of these measures and the efficiency of their implementation.[371]

U.S.-funded Agriculture Projects

Ongoing U.S. agriculture projects focus on capacity development. The projects include seed distribution and training sessions for farmers and government officials.

Inma Agribusiness Program

Funded by the ESF, the USAID Inma program focuses on stimulating agribusiness growth and enhancing agricultural output. This quarter, Inma signed a grant agreement with a local non-governmental organization known as Al-Thiqa, which will provide short-term agribusiness loans to farmers in Ninewa province. Other Inma efforts this quarter include:[372]

- **Seed Delivery.** This quarter, Inma delivered 900 tons of wheat seed and 100 tons of barley seed to 8 PRTs and embedded PRTS (ePRTs) for distribution to farmers around Iraq.
- **ANKA Company Agreement.** Inma has signed a grant agreement with the ANKA Company, an Iraqi agricultural development firm. Under this agreement, ANKA will collect and disseminate wholesale market price data for Iraqi fruits and vegetables.
- **Seminars.** Inma conducted 17 seminars at the Erbil Food Expo this quarter. The seminars were attended by farmer association members, agribusinesses, university students, and regional government officials.
- **Importation.** Inma finalized an importation process for 50,000 stone fruits, table grape vines, and 13,500 pomegranate seedlings. These items will be distributed to farmers in the Baghdad province.

A veterinary technician with the U.S. Army vaccinates a goat. (USACE photo)

U.S.-Iraq Agricultural Extension Revitalization Project

In December 2008, the U.S. Department of Agriculture launched Phase 2 of the U.S.-Iraq Agricultural Extension Revitalization Project (IAER). DoS has provided $12.2 million for Phases 1 and 2 of this project. The goal of IAER is to revitalize Iraq's agricultural extension system by providing specialized agriculture training. Phase 1 sent Iraqis to seminars throughout the Middle East (including courses conducted by American University in Cairo, Egypt; Washington State University in Aleppo, Syria; and Texas A&M University in Amman, Jordan). Phase 2 will bring Iraqis to the United States for agricultural training pertinent to Iraq, including dry-land field crops, soil and water management, aquaculture, and animal health.[373]

Iraqi Debt Relief

Iraqi sovereign foreign debt falls into one of two primary categories: Paris Club debt and non-Paris Club debt.[374] The majority of debt was incurred during the old regime, but limited payments were made until 2004.[375] Of the debts owed by Iraq in 2004, approximately $74 billion has been forgiven.[376] Iraq currently owes between $50 billion and $75 billion to foreign nations.[377]

Paris Club Debt Relief

As of December 31, 2008, Iraq still owed Paris Club creditors $7.6 billion. However, this amount is a substantial reduction from the nearly $50 billion originally owed. Effective December 17, 2008, the third and last tranche of Paris Club Iraqi debt relief was completed. Including this final tranche, Paris Club member countries have forgiven over 80% of Iraq's debt since 2004.[378]

Non-Paris Club Debt Relief

Because many countries impose varying interest rates and calculate penalties differently, the exact amount of foreign debt Iraq owes is under dispute.[379] Iraq owes its largest debts to Saudi Arabia, China, and Kuwait.[380]

As of the end of October 2008, Iraq had signed bilateral debt agreements with 11 non-Paris Club members, restructuring a debt stock of $9.4 billion. Iraq has also finished debt negotiations with Greece, Morocco, Tunisia, and the United Arab Emirates. Once agreements have been signed with these nations, Iraq will have settled its non-Paris Club debts by agreeing to pay 46% of its initial debt by value. Debt negotiations with China and some Gulf countries are ongoing.[381]

RECONSTRUCTION BY PROVINCE

PROVINCE SNAPSHOTS

SECTION 3

3

PROVINCE SNAPSHOTS

This section reviews U.S. reconstruction activities in Iraq's provinces, presenting information on security conditions, governance initiatives, the state of the economy, and access to essential services. For each province, SIGIR provides a summary of observations reported by U.S. Provincial Reconstruction Teams (PRTs) and embedded PRTs (ePRTs), which coordinate reconstruction activity with community leaders and build the capacity of local governments to meet the needs of local populations.

The section also contains reports on provincial activities from the Gulf Region Division (GRD) of the U.S. Army Corps of Engineers (USACE), the U.S. Embassy's Office of Provincial Affairs (OPA), and the U.S. Agency for International Development (USAID).

PRT Updates

As of January 2009, 29 PRTs were operating in Iraq: 18 PRTs and 11 ePRTs operating within U.S. Brigade Combat Teams (BCTs).[382] Although there are no immediate plans to reduce the number of PRTs operating in Iraq in the near future, OPA reports that program drawdown is part of the overall U.S. strategy, and this transition could begin within the next year.[383] The drawdown process will begin as these conditions are met:[384]

- Successful provincial elections are executed.
- A smooth transition of power is implemented.
- Freedom of movement for Iraqis is achieved.
- Continuous ratings of "sustaining" for PRTs under the requirements of the provincial Capability Maturity Model (CMM) are met.

In late 2007, OPA developed the CMM for the PRTs to measure progress in each province. The CMM assessment system applies standardized rankings to measure progress in reaching the goals established by the PRT program, outlined in Table 3.1. The CMM results are central to determining how to adjust resources as the provinces approach conditions for PRT drawdown.[385] OPA will direct PRT funding to provinces requiring more support to reach these objectives.[386] For a comparison of the progress assessment reported in November 2007 to the most recent assessment of November 2008, see Figure 3.1.

This quarter, SIGIR released an audit of the PRT program, finding that performance
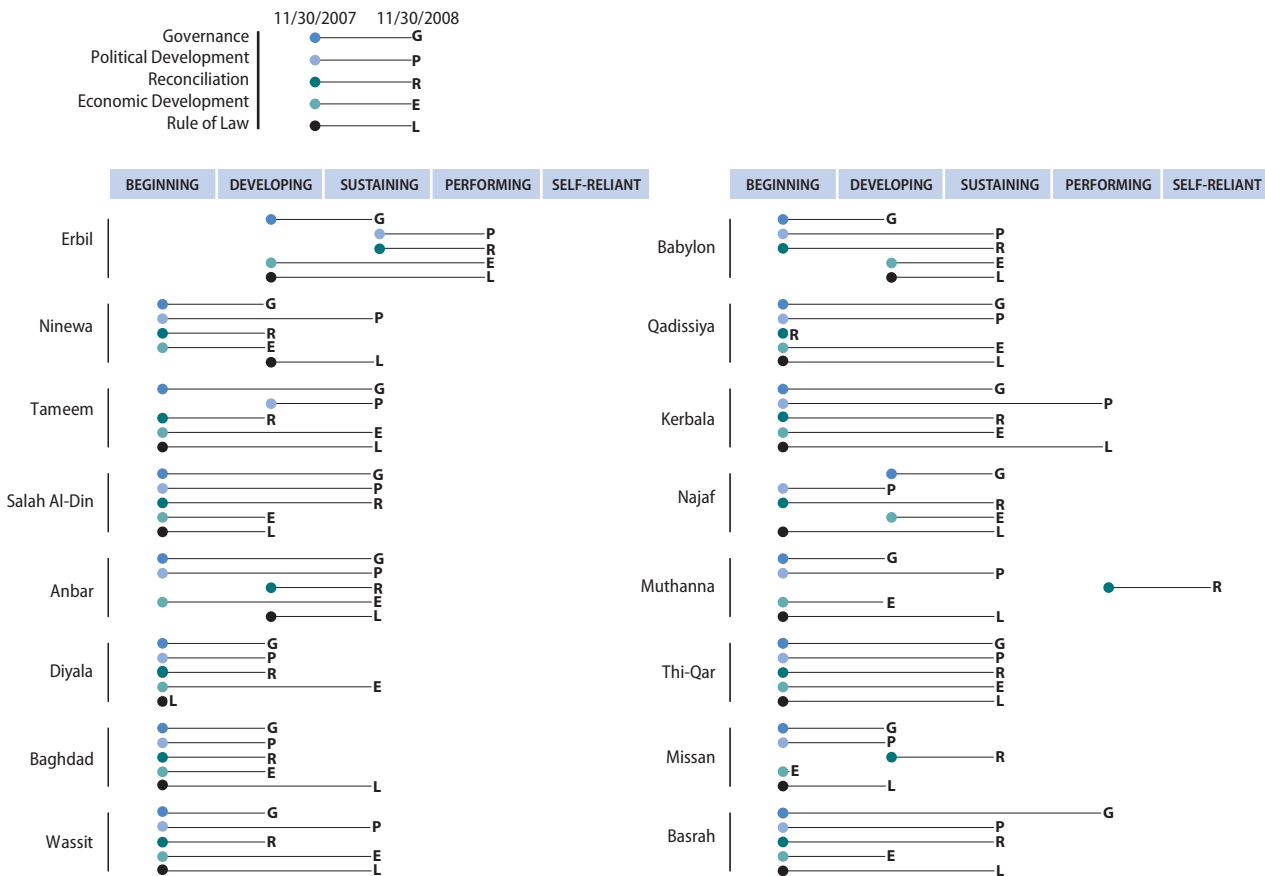
TABLE 3.1

PRT OBJECTIVES

OBJECTIVES	DESCRIPTION
Governance	Assist the development of sub-national governments that are self-sufficient, transparent, accountable, and capable of identifying, prioritizing, and servicing the needs of the citizens.
Political Development	Promote the development of an engaged local population and effective political parties, institutions, representatives, and officials who respect the rights of individuals and groups, promote pluralism, and peacefully transfer power.
Reconciliation	Assist conflicting parties to resolve their differences by engaging in direct and peaceful dialogue to identify and pursue shared aims and interests.
Economic Development	Help sub-national governments and the private sector to establish and implement broad-based and comprehensive economic development strategies that promote equitable and sustainable growth.
Rule of Law	Enhance the quality of justice enjoyed by the populace by improving the accountability, effectiveness, and consistency of services administered by policing, corrections, judicial, and other legal institutions.

Source: OPA, response to SIGIR data call, 6/29/2008.

FIGURE 3.1

Comparison of 2007 and 2008 PRT Maturity Assessments

11/30/2007   11/30/2008

Governance — G
Political Development — P
Reconciliation — R
Economic Development — E
Rule of Law — L

	BEGINNING	DEVELOPING	SUSTAINING	PERFORMING	SELF-RELIANT

Erbil — G, P, R, E, L
Ninewa — G, P, R, E, L
Tameem — G, P, R, E, L
Salah Al-Din — G, P, R, E, L
Anbar — G, P, R, E, L
Diyala — G, P, R, E, L
Baghdad — G, P, R, E, L
Wassit — G, P, R, E, L

	BEGINNING	DEVELOPING	SUSTAINING	PERFORMING	SELF-RELIANT

Babylon — G, P, R, E, L
Qadissiya — G, P, R, E, L
Kerbala — G, P, R, E, L
Najaf — G, P, R, E, L
Muthanna — G, P, R, E, L
Thi-Qar — G, P, R, E, L
Missan — G, P, R, E, L
Basrah — G, P, R, E, L

Source: OPA, response to SIGIR data call, 1/14/2009.

measurements had improved across Iraq. However, OPA has not universally required PRTs and ePRTs to report how they will correct weaknesses identified by the assessment.[387]

In previous audit reports, SIGIR made 12 recommendations to improve PRT program effectiveness, 8 of which had been closed following Embassy management action. In the audit released this quarter, SIGIR closed three of the four remaining suggestions. The only open recommendation pertains to the requirement that PRTs submit work plans to update OPA on progress toward accomplishing objectives.[388]

The Department of State (DoS) Quick Response Fund (QRF) is one way that the PRTs support efforts in Iraqi communities. The QRF was created to support community-led efforts to improve access to public services, economic opportunities, employment, and education.

This quarter, SIGIR released an audit of the QRF program, which is run jointly by OPA and USAID. The audit found that OPA has developed a sound process for selecting projects; however, more oversight is needed to assess the success of completed projects. USAID relies heavily on contractors to assess results and does not conduct independent project reviews.[389]

SIGIR found that project reports issued by USAID's contractors often did not assess whether the expected results had been achieved. Weak oversight has left the QRF vulnerable to waste and fraud. Additional concerns regarding the use of USAID contractors include the cost of support. SIGIR auditors calculate that the contractor fee and the added 8% fee paid to subcontractors used up $0.53 of every QRF dollar spent on projects.[390]

Province Comparisons

For a province-level overview of security, infrastructure, economy, and governance indicators, see Table 3.2.

TABLE 3.2

SELECTED COMPARISONS OF IRAQ'S PROVINCES

	POPULATION		U.S. FUNDING PER CAPITA				IRAQI FUNDING			ECONOMY	
Province	Population[a]	Internally Displaced Persons (IDPs)[b]	IRRF Project Costs[c]	ISFF Total Project Costs[d]	ESF Project Costs[e]	CERP Project Costs[f]	I-CERP Projects[g]	2008 Provincial Budget Allocation ($ millions)[h]	2008 Provincial Budget Percentage of Expended vs. Allocated[i]	Dollar Amount of Awards to Iraqi First Vendors ($ millions)[j]	% of Households in the Poorest Income Quintile[k]
Kurdistan (Dahuk, Erbil, and Sulaymaniyah)	4,621,600	872,278	$132.34	$14.20	$22.35	$21.52	n/a	n/a	n/a	$9.45	19%
Ninewa	2,473,700	146,055	$180.35	$154.67	$12.71	$78.45	41	$356.67	7%	$16.90	31%
Tameem	839,100	51,135	$770.69	$134.42	$138.04	$201.88	53	$143.33	54%	$54.03	31%
Salah Al-Din	1,077,800	65,810	$391.64	$110.59	$110.54	$198.63	148	$146.67	49%	$239.05	14%
Anbar	1,280,000	85,134	$390.81	$631.73	$82.69	$331.74	56	$183.33	69%	$123.19	24%
Diyala	1,373,900	191,491	$337.37	$190.55	$13.21	$144.81	110	$168.00	18%	$36.43	18%
Baghdad	6,386,100	573,301	$492.13	$259.67	$129.63	$167.56	281	$883.33	12%	$524.68	5%
Wassit	941,800	87,637	$323.03	$66.34	$30.96	$67.97	14	$134.67	50%	$35.42	20%
Babylon	1,444,400	86,047	$134.78	$15.56	$22.66	$118.07	50	$200.67	58%	$19.13	28%
Qadissya	866,700	32,110	$159.28	$41.95	$14.86	$93.94	30	$133.33	25%	$5.88	37%
Kerbala	756,000	183,617	$125.28	$1.11	$26.93	$67.37	0	$113.33	33%	$3.93	36%
Najaf	946,300	81,674	$189.94	$30.57	$20.99	$44.40	0	$143.33	95%	$0.58	13%
Muthanna	536,300	23,497	$479.73	$4.62	$25.78	$46.68	0	$83.33	36%	$1.04	28%
Thi-Qar	1,427,200	72,779	$520.26	$47.90	$13.93	$30.30	11	$216.67	38%	$27.74	27%
Missan	743,400	159,749	$234.66	$52.51	$47.85	$38.82	3	$120.00	79%	$0.07	16%
Basrah	1,761,000	130,177	$882.67	$70.39	$54.39	$145.05	17	$306.67	37%	$213.06	11%

Note: Total project costs for the various funds are as reported in IRMS; they do not represent actual obligations or expenditures.

Sources:
[a] Total number of people residing in the province, as measured by the UN in November 2007. UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] Number of Iraqis displaced from their homes who have resettled to that province. U.S. Embassy-Baghdad, response to SIGIR data call, 12/31/2008.
[c] Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009.
[d] Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009.
[e] Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009.
[f] Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009.
[g] Iraq-Commanders Emergency Response Programs ($270M) as of January 1, 2009 by Province. MNF-I, response to SIGIR data call, 1/14/2009.
[h] YTD September 2008 Provincial budget allocation. U.S. Treasury, response to SIGIR data call, 1/9/2009.
[i] YTD September 2008 Provincial budget expended amount versus allocated amount. U.S. Treasury, response to SIGIR data call, 1/9/2009.
[j] Iraqi First Program, JCC-I/A, response to SIGIR data call, 1/8/2009.
[k] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008.

INFRASTRUCTURE			GOVERNANCE				SECURITY		
Avg. Daily Electricity Load Served for Quarter (MWh)[l]	Estimated Avg. Daily Demand for the Quarter (MWh)[m]	% of People with Access to Water[n]	Community Action Program (CAP) Projects[o]	Value of CAP Projects ($ millions)[p]	Total PRDC Budgeted (FY 2006 Supplemental and FY 2007 Supplemental) ($ millions)[q]	% of PRDC Budgeted Awarded[r]	Total Attacks 7/1/2008–9/30/2008[s]	Total Attacks 10/1/2008–12/31/2008[t]	Provincial Iraqi Control[u]
14,627	17,426	40%	40	$6.81	$81.14	89%	6	3	May-07
10,587	15,972	71%	65	$3.24	$27.43	42%	924	511	Mar-09
5,094	6,162	98%	64	$3.27	$27.10	65%	245	184	Jan-09
5,459	7,186	71%	169	$4.37	$24.30	78%	482	374	Jan-09
4,589	6,206	84%	115	$3.93	$52.28	62%	209	162	Sep-08
3,623	4,362	54%	75	$3.36	$24.36	76%	533	251	Feb-09
31,714	48,420	89%	1,179	$38.41	$147.53	67%	867	713	May-09
2,724	5,655	89%	89	$5.31	$27.92	91%	8	9	Oct-08
4,039	7,915	97%	124	$10.85	$26.85	62%	54	62	Oct-08
3,077	4,711	76%	67	$7.57	$24.63	74%	7	9	Jul-08
2,883	5,092	71%	77	$9.11	$23.31	72%	4	0	Oct-07
3,594	6,973	83%	80	$8.01	$25.72	33%	1	2	Dec-06
2,532	3,770	65%	76	$3.22	$24.95	50%	1	1	Jul-06
5,404	7,536	94%	87	$8.13	$25.80	83%	21	7	Sep-06
2,566	5,090	91%	81	$6.23	$25.94	65%	43	39	Apr-07
12,032	17,148	98%	130	$8.66	$66.95	63%	26	11	Dec-07

[l] The average number of MWhs used per day to satisfy the load served, as estimated by the Ministry of Electricity and reported by ITAO. ITAO, *IRMO Electric Daily Units Performance Report*, 10/1/2008-12/31/2008.

[m] The average number of MWhs demanded, as estimated by the Ministry of Electricity and reported by ITAO. ITAO, *IRMO Electric Daily Units Performance Report*, 10/1/2008-12/31/2008.

[n] Iraqis with continuous access to potable water in each province. The data is based on a survey that was conducted in November-December 2007. UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008.

[o] Total number of ongoing CAP projects funded by the ESF and implemented by USAID. Projects aim to strengthen links between the Iraqi government and local communities by facilitating community coordination with local and provincial governments. USAID, response to SIGIR data call, 12/31/2008.

[p] Total value of ongoing U.S.-funded CAP projects. Projects aim to strengthen links between the Iraqi government and local communities by facilitating community coordination with local and provincial governments. USAID, response to SIGIR data call, 12/31/2008.

[q] The total amounts budgeted for each province in PRT/PRDC program funds, for both the FY 2006 and FY 2007 Supplemental appropriations. OPA, response to SIGIR data call, 1/6/2009.

[r] PRDC award amounts as a percentage of PRDC budgeted amounts. OPA, response to SIGIR data call, 1/6/2009.

[s] Total number of attacks occurring in the province 7/1/2008-9/30/2008. OSD, response to SIGIR data call, 10/6/2008.

[t] Total number of attacks occurring in the province 10/1/2008-12/31/2008. CENTCOM, response to SIGIR data call, 1/10/2009.

[u] Date of transfer of security authority to the Iraqis. Dates in 2009 are projections. U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.

KURDISTAN

Population:[a] **4.6 million**
Religion:[b] **7% Shia, 71% Sunni, 22% Other**
PIC Date:[c] **May 2007**

U.S. Projects:[d] **2,024**
U.S. Project Costs:[d] **$880 million**

★ Capital
○ PRT
■ Project

Major Ongoing Projects

Emergency Hospital In Zakho[e]
- **Obligated:** $2.6 million
- **Expended:** $0.6 million
- **Estimated Completion:** 6/14/2009
- **Goals:** Serve the residents in the outlying areas of Dahuk Province who are currently referred to the Dohuk City Emergency Hospital 56km away.

Explosive Ordnance Disposal Operations[e]
- **Obligated:** $2.2 million
- **Expended:** $0.0
- **Estimated Completion:** 4/20/2009
- **Goals:** Provide critical operational infrastructure and support to enable the Iraqi military to assume Explosive Ordnance Disposal operations for the province.

Erbil Emergency Hospital[e]
- **Obligated:** $12.7 million
- **Expended:** $0.9 million
- **Estimated Completion:** 12/4/2009
- **Goals:** Add 100 more beds to serve nearly one million residents in Erbil City; this facility is set to become the primary access point for critical care.

Prison at Fort Suse[e]
- **Obligated:** $9.3 million
- **Expended:** $0.5 million
- **Estimated Completion:** 8/18/2009
- **Goals:** Add 700 more beds to this federal prison.

Erbil
★

Orphanage-Senior Citizen Assisted Living Center[e]
- **Obligated:** $3.7 million
- **Expended:** $3.5 million
- **Estimated Completion:** 1/31/2009
- **Goals:** Provide proper facilities to house 250 female and 250 male orphans, as well as 100 adults who require assisted-living care and rehabilitation services.

Chamchamal Correctional Facility[e]
- **Obligated:** $28.4 million
- **Expended:** $20.3 million
- **Estimated Completion:** 2/25/2009
- **Goals:** Relieve an acute shortage of housing for inmates at the facility.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/09.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
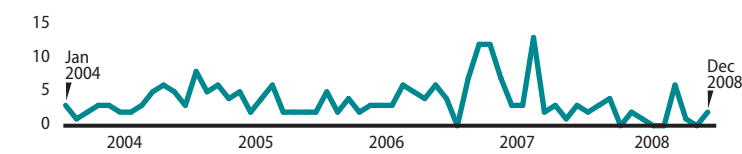[e] GRD, response to SIGIR data call, 1/5/2009.

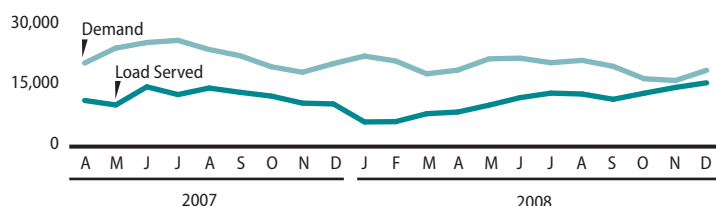## Ongoing and Completed Infrastructure Projects[a]
$ Millions

	Completed Project Count	Completed Project Cost	Ongoing Project Count	Ongoing Project Cost
Oil and Gas	2	$0.08	-	-
Electricity	82	$214.33	1	$0.10
Water	234	$252.02	9	$18.57
Health Care	92	$34.67	19	$23.41
Transportation and Communications	39	$15.25	3	$0.67
Buildings	120	$3.51	3	$10.54
Total	569	$519.86	35	$53.29

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $880 Million

Employment Activities[e]

Reliable Access to Potable Water[e]

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
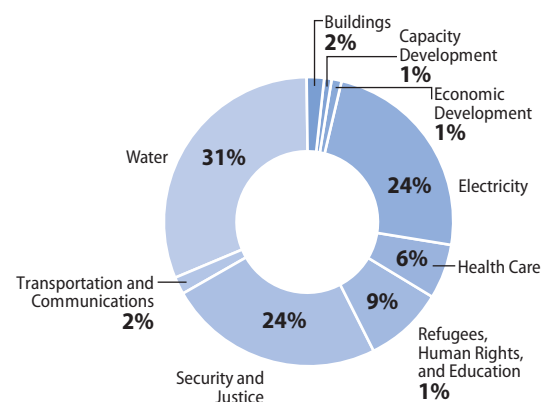[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Democracy, and Oil and Gas sectors accounted for less than one-half percent of the total cost.
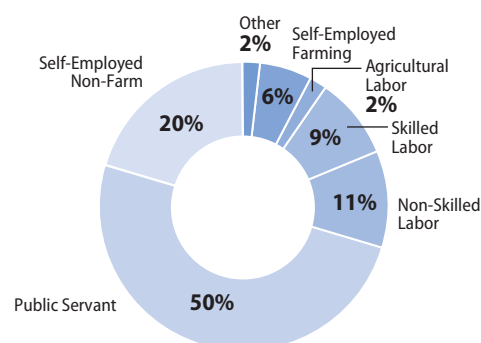[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.

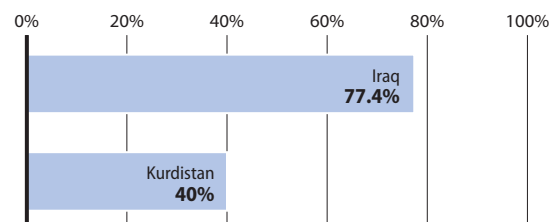Three provinces make up the region of Kurdistan—Dahuk, Erbil, and Sulaymaniyah—all subject to the Kurdistan Regional Government (KRG). The United States operates a PRT in the province of Erbil to coordinate U.S. reconstruction support for the region.

Economy

Economic Development. In December 2008, USAID presented an Economic Development Assessment of the KRG at a conference hosted by the KRG Minister of Planning.[391] Currently, trade and construction activity drive the region's economy, but the report identified several growth areas for the KRG to consider:[392]

- extractive industries, including oil, gas, and minerals
- agriculture
- tourism

Budget. In December, a U.S. Treasury team traveled to Erbil to review budget policy and execution. The team met with the chief of the Erbil Provincial Council and the planning manager for the province.[393] They also met with a U.S. consulting firm assisting Erbil with procurement assistance.[394]

Agriculture. The KRG Minister of Environment met with PRT team members this quarter to discuss conditions in northern Iraq. The Minister attributed the three-year drought in Kurdistan to the global climate situation. He asked for U.S. funds to support ministerial capacity development and educational campaigns.[395]

Governance and Democracy

Rule of Law. A project to assess the KRG rule-of-law (ROL) situation began this quarter with a series of meetings with the Kurdish Judicial Council. Contracted through the ESF's Quick Response Fund, this assessment will create a 10-year "roadmap" that outlines the relationships and responsibilities of the KRG's ROL leadership.[396]

The Kurdistan Bar Association (KBA) has scheduled its nationwide meeting for February 11–13, 2009. Attorneys with KBA membership and members of the Iraqi Bar Association have been invited as part of ongoing efforts to develop better relationships between the two associations.[397]

Human Rights. On January 4, 2009, PRT staff hosted the first in a series of focus groups to educate Kurds on the realities of female genital mutilation. Reports indicate that it is more prevalent in Kurdistan than elsewhere in Iraq. Focus groups also discussed gender-based violence and the roles of women in Kurdish society.[398]

Education. On November 3, 2008, Zakho City opened the **Zakho Primary School**, constructed under a $670,000 contract through the DoS. The new school has the capacity to support more than 800 students, with 12 classrooms, 6 staff rooms, a guard house, a generator room, a laboratory building, landscaped garden areas, and a playground.[399]

Kovak Primary School. (GRD photo)

Essential Services

December 3, 2008, marked the reopening of the **Zharawa Bridge**, a major transportation route in the Pishdar District of Sulaymaniyah. The bridge had been closed for repair since 2006 when it was seriously damaged in a flood.[400]

USAID PROGRAM QUARTERLY UPDATES IN KURDISTAN

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. There are no plans at this time to continue the LGP. The Governorates Accounting and Project Tracking Information System (GAPTIS) Nationwide Users Conference was hosted in Erbil and attended by 120 officials in November. In Dahuk, the LGP conducted training sessions, including "Citizen Participation Mechanisms" and "Proper Fertilizer Application."
Iraq Community-based Conflict Mitigation	Youth programs in Erbil this quarter included an IT training program designed to benefit 240 males and 240 females, an anti-violence campaign in Soran designed to benefit 334 males and 166 females, and a conference for 100 youths. Youth programs in Dahuk this quarter included completion of the Dahuk TV program, implementation of a conflict-resolution training course, and launch of a Peaceful Coexistence Camp, which benefited 40 men and 40 women. No projects were completed in Sulaymaniyah this quarter.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted its closeout process.
Marla Ruzicka War Victims Fund	Three Marla Ruzicka Fund projects were completed in Erbil; no Marla Ruzicka projects are active in Dahuk and Sulaymaniyah.
Quick Response Fund/Iraq Rapid Assistance Program	QRF funds supported startup businesses and trade in Kurdistan this quarter, as well as the Dahuk and Sulaymaniyah Election Offices, maternity education for women in rural areas, and revitalization of the Statistics Office for the KRG Ministry of Planning.
Community Stabilization Program	CSP is not active in any of Kurdistan's provinces.
Tijara Program	Tijara is currently supporting five microfinance institutions (MFIs) in Kurdistan: one in Dahuk, two in Erbil, and two in Sulaymaniyah. Tijara also provided loans to two KRG provinces through the ICBG: 13 SME loans in Erbil and 14 SME loans in Sulaymaniyah.
Inma Program	Inma has begun facilitating the export of pomegranates from the Sulaymaniyah region through traders in Dubai, and it has completed a study of air freight to Dubai. Mirak Fruit, the largest importer of fruits and vegetables in the United Arab Emirates, expects to place orders for the pomegranates. Inma also provided small business training to farmers in Erbil, and the program is planning to expand its activities in Kurdistan.
Tatweer	Tatweer has trained almost 1,500 KRG officials in public administration and management: approximately 500 in Dahuk, more than 700 in Erbil, and more than 260 in Sulaymaniyah.
Office of Foreign Disaster Assistance	OFDA funded the ongoing operation of a child-friendly space used by 160 displaced families at the Girdaseen IDP camp in Dahuk. In Erbil and Sulaymaniyah, OFDA supports programs in health, logistics and relief commodities, protection, shelter and settlements, water, sanitation and hygiene.

Source: USAID, response to SIGIR data call, 12/31/2008.

NINEWA

Population:[a] **2.5 million**
Religion:[b] **5% Shia, 42% Sunni, 53% Other**
PIC Date:[c] March **2009**

U.S. Projects:[d] **4,191**
U.S. Project Costs:[d] **$1.1 billion**

★ Capital
✪ Training Facility
○ PRT
✈ Airport
⌁ Power Plant
◼ Project

Major Ongoing Projects

Hamman Al-Allil Regional Training Center[e]
- **Obligated:** $8.3 million
- **Expended:** $1.0 million
- **Estimated Completion:** 2/18/2009
- **Goals:** Construct a Regional Training Center to ensure continuing training for the newly formed Iraqi brigades.

Location Command Al-Ghizlani[e]
- **Obligated:** $32.4 million
- **Expended:** $2.0 million
- **Estimated Completion:** 6/22/2009
- **Goals:** Increase effectiveness of Iraqi Army.
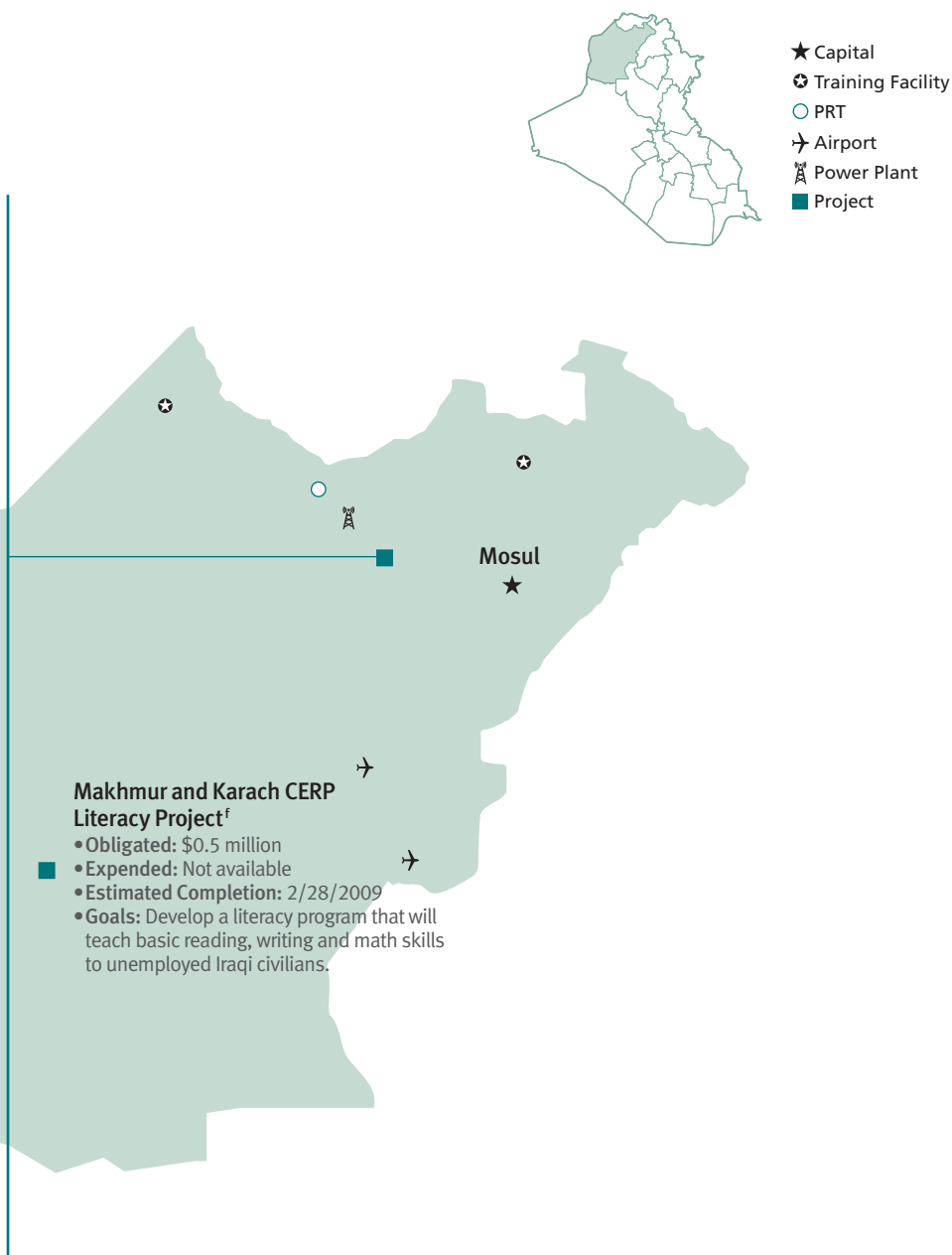
Mosul Police Recruit Academy[e]
- **Obligated:** $18.0 million
- **Expended:** $15.0 million
- **Estimated Completion:** 1/19/2009
- **Goals:** Train new police officers to improve security in Iraq and assist in transitioning to independent governance.

Ibn Sena Hospital Cardiac Surgery Wing[f]
- **Obligated:** $2.1 million
- **Expended:** Not available
- **Estimated Completion:** 8/1/2009
- **Goals:** Improve health care delivery to cardiac patients.

Geographic Information System (GIS) Center[f]
- **Obligated:** $0.8 million
- **Expended:** $0.4 million
- **Estimated Completion:** 7/1/2009
- **Goals:** Establish a provincial GIS center that can collect, organize, and digitize all provincial urban spatial data for better maintenance and management.

Mosul

Makhmur and Karach CERP Literacy Project[f]
- **Obligated:** $0.5 million
- **Expended:** Not available
- **Estimated Completion:** 2/28/2009
- **Goals:** Develop a literacy program that will teach basic reading, writing and math skills to unemployed Iraqi civilians.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/09.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
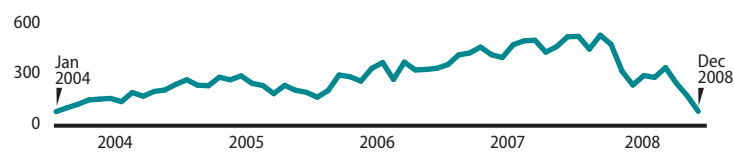[e] GRD, response to SIGIR data call, 1/5/2009.
[f] OPA, response to SIGIR data call, 1/8/2009.

Project Cost by Sector [d]

% of $1.1 Billion

- Capacity Development **1%**
- Economic Development **1%**
- Electricity **12%**
- Health Care **3%**
- Refugees, Human Rights, and Education **4%**
- Security and Justice **60%**
- Water **11%**
- Transportation and Communications **7%**

Ongoing and Completed Infrastructure Projects [a]

$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	2	$0.08	-	-
Electricity	109	$120.44	4	$2.14
Water	515	$91.88	7	$22.53
Health Care	177	$32.16	14	$0.30
Transportation and Communications	324	$67.71	11	$5.61
Buildings	63	$1.62	-	-
Total	1,190	$313.89	36	$30.58

Employment Activities [e]

- Other **1%**
- Self-Employed Farming **9%**
- Agricultural Labor **5%**
- Skilled Labor **11%**
- Non-Skilled Labor **23%**
- Public Servant **24%**
- Self-Employed Non-Farm **28%**

Total Security Incidents by Month [b]

Electricity Load Served and Estimated Demand [c]

MWh per Day

Reliable Access to Potable Water [e]

Iraq **77.4%**
Ninewa **71.4%**

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
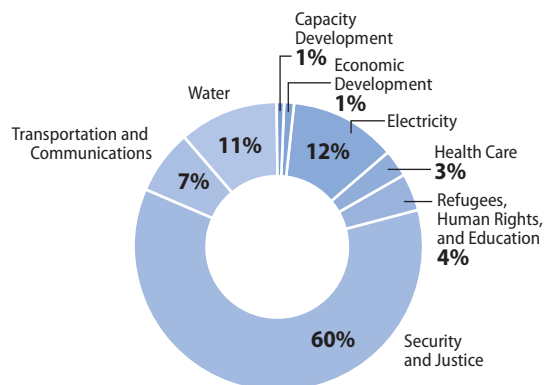[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Building, Democracy, and Oil and Gas sectors accounted for less than one-half percent of the total cost.
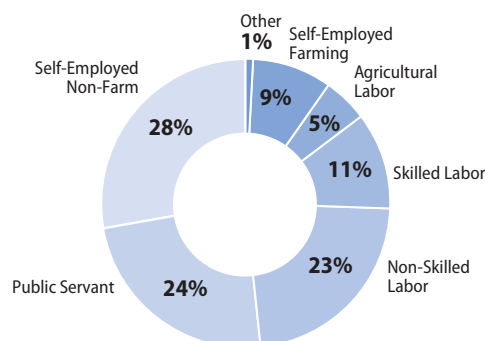[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.

Essential Services

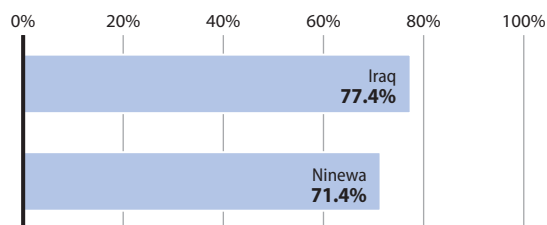In December 2008, construction on Phase II of **Ibn Sena Hospital Cardiac Surgery Wing** began. Phase I, completed in May 2007, constructed a 30-room cardiac surgery unit for the hospital, including 4 operating theaters, sterilization, supply, storage, consultation rooms, and an ICU ward. The construction cost was $894,155. Phase II will upgrade the four operating theaters to Ministry of Health standards and remodel a large interior space to better accommodate medical equipment. The project will also enhance the electrical power supply and the heating, ventilating, and air conditioning system for the new wing. The U.S. Army Corps of Engineers expects completion of Phase II, a $1.2 million project, in August 2009.[401]

Governance and Democracy

Elections. In December 2008, two nongovernmental organizations (NGOs) began two QRF-funded programs to educate citizens about voting rights and procedures for casting ballots in the upcoming provincial elections.[402]

Urban Development. In December 2008, PRT Ninewa began a new project to support the **Centralized Provincial Geographic Information System (GIS)**. GIS programs create digital maps of cities, which can greatly expedite the delivery of services to an urban population. PRT Ninewa supported the growth of the GIS by training technicians and equipping the GIS work center. Currently, the Ninewa GIS center is working to build a Digital GIS Base Map of the city of Mosul, with the support of PRT Ninewa

Paper maps at the Geographic Information System Center in Mosul. (OPA photo)

personnel and QRF funding. Project completion is expected in July 2009.[403]

Rule of Law. PRT Ninewa reports that rule-of-law issues remain the primary focus of its efforts. PRT leaders met with the Chief Judge of Mosul this quarter. He stated that he will not cooperate with U.S. Embassy ROL advisors unless given orders to do so in writing from Baghdad.[404]

Education. The Commander's Emergency Response Program is sponsoring a literacy program in rural Ninewa, which will be completed in early 2009. This initiative will benefit approximately 600 residents living in the districts of Makhmur and Karach, where 90% of adults are estimated to be unemployed. Although the local officials cite illiteracy as a main contributor to unemployment, there are no Iraqi-run projects to address this problem. The United States has provided $475,950 in funding for salaries for teachers, supervisors, and contractors, as well as textbooks, school supplies, and student stipends.[405]

This quarter, PRT Ninewa held an education working session with 45 local and district council members responsible for education in their respective districts or sub-districts. Representatives discussed the problems faced in

their districts, established educational priorities, and laid the groundwork for approaches to address these issues.[406]

Another education initiative featured two professors from George Washington University, who provided expertise in international affairs and public policy to train the Provincial

Council's media office on strategies for operating efficiently through a staff changeover, expected to follow the provincial elections on January 31, 2009. PRT leaders have been working to ensure that the media office is prepared for the transition of current council members to civil service positions.[407]

## USAID PROGRAM QUARTERLY UPDATES IN NINEWA

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. There are no plans at this time to continue the LGP.
Iraq Community-based Conflict Mitigation	The Conflict Management program began implementing the Iraqi Peace Foundation religious Dialogue Series.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted its closeout process. Under a new cooperative agreement, the Community Action Program III (CAP III) has begun.
Marla Ruzicka War Victims Fund	Three Marla Ruzicka Fund projects were completed in Ninewa.
Quick Response Fund/Iraq Rapid Assistance Program	The QRF program aims to prepare at least 160 outreach lectures to help voters understand their roles, rights, and responsibilities in the political system before the January 2009 provincial elections. QRF-funded artesian water wells are providing potable water to Al-Qosh residents, including more than 450 IDPs who have relocated there.
Community Stabilization Program	Nearly 2,800 short-term and nearly 500 long-term jobs were created this quarter through the CSP program, and 49 community infrastructure and essential services projects were completed. More than 2,895 youth have participated in CSP-sponsored youth activities: 300 children in computer courses, 300 in honey production training, 800 in a soccer championship, and 340 in a ping-pong championship.
Tijara Program	The Tijara program supports three microfinance institutions (MFIs) in Ninewa province, providing $3,092,500 in loans to 1,357 businesses in the province, with an average loan size of $2,295 and repayment rate of 97%. Currently, there are 566 loans outstanding for a total estimated value of $942,784 and an average loan size of $1,666.
Inma Program	Inma delivered 100 tons of wheat seed to Ninewa PRT in October 2008 for distribution to farmers for the winter planting season.
Tatweer	More than 1,187 officials from Ninewa have been trained in public administration and management areas. Eight courses were introduced at various competency levels, including leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	The Office of U.S. Foreign Disaster Assistance (OFDA) partners provided food, hygiene kits, and other emergency relief supplies to 1,900 families who fled Mosul after violence there. OFDA also funded improvement shelters for these families, made from 2,400 square meters of plastic sheeting and 300 timbers. OFDA funds continued to support water and sanitation activities, such as replacing a pump in Bashiqa and repairing damaged water infrastructure in Al-Qosh to reduce contamination and loss of resources through leakage.

Source: USAID, response to SIGIR data call, 12/31/2008.

TAMEEM

Population:[a] **839,000**
Religion:[b] **22% Shia, 73% Sunni, 5% Other**
PIC Date:[c] **January 2009**

U.S. Projects:[d] **3,912**
U.S. Project Costs:[d] **$1.04 billion**

★ Capital
✪ Training Facility
◯ PRT
✈ Airport
⛏ Power Plant
■ Project

Major Ongoing Projects
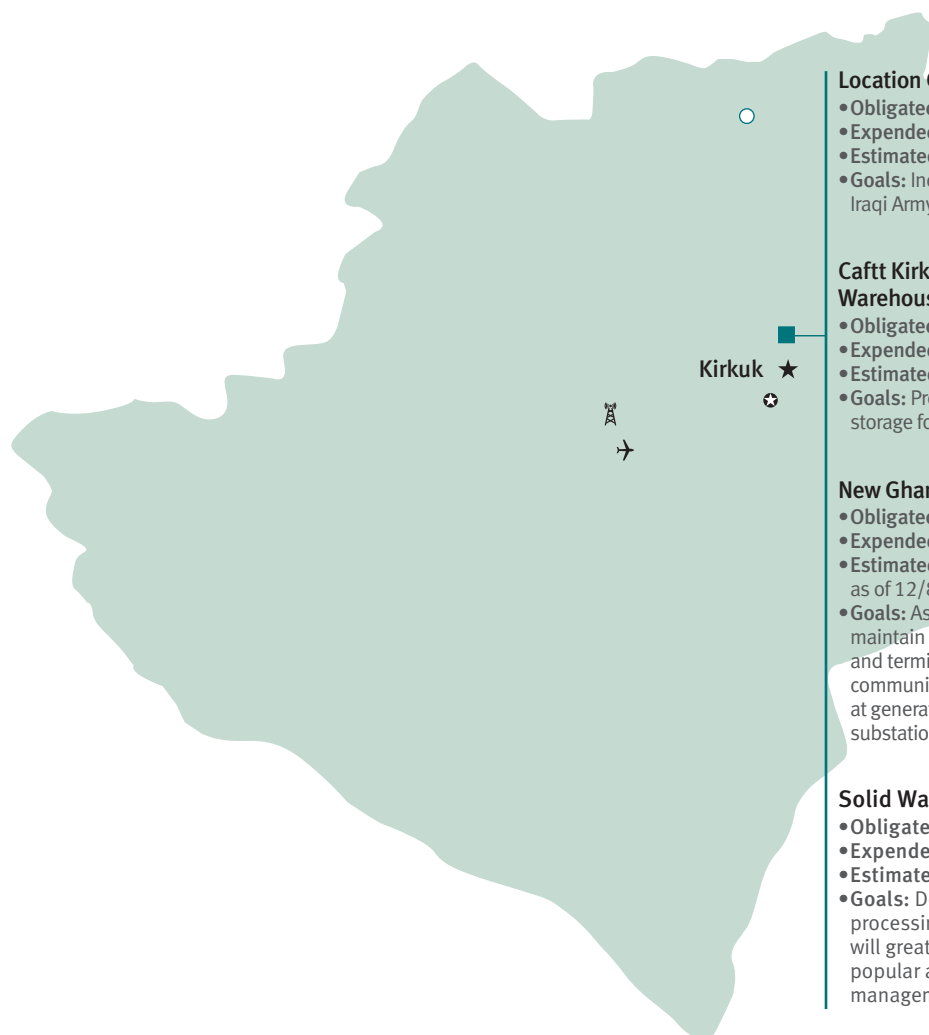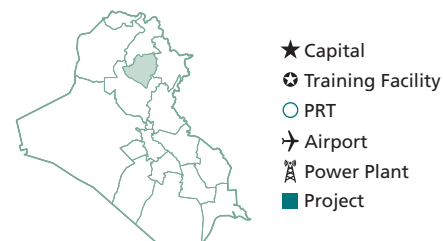
Location Command Kirkuk[e]
- **Obligated:** $7.5 million
- **Expended:** $0.8 million
- **Estimated Completion:** 4/10/2009
- **Goals:** Increase effectiveness of the Iraqi Army.

Caftt Kirkuk Gap Project-Hangar, Warehouse, Runways, Facility[e]
- **Obligated:** $10.5 million
- **Expended:** $0.9 million
- **Estimated Completion:** 4/10/2009
- **Goals:** Provide aircraft and material storage for the Iraqi Air Force.

New Ghammas 132-kV Substation[f]
- **Obligated:** $14.7 million
- **Expended:** Not available
- **Estimated Completion:** 92.5% completed as of 12/8/2008
- **Goals:** Assess, design, construct, and maintain the transmission substation and terminal equipment, and install communication and control systems at generation stations, transmission substations, and switchyards.

Solid Waste Transfer Station #2[e]
- **Obligated:** $1.5 million
- **Expended:** $0.0
- **Estimated Completion:** 6/12/2009
- **Goals:** Double the daily trash processing capacity for Kirkuk, which will greatly increase the chances for popular acceptance of municipality management.

Kirkuk ★

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/09.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
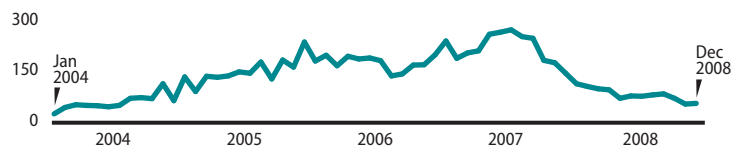[e] GRD, response to SIGIR data call, 1/5/2009.
[f] GRD, *Monthly SITREP*, 12/8/2008.

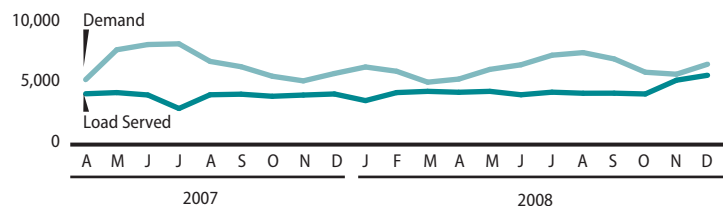## Ongoing and Completed Infrastructure Projects[a]
$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	58	$186.96	-	-
Electricity	116	$325.60	3	$38.26
Water	201	$42.42	19	$4.87
Health Care	92	$8.15	3	$0.27
Transportation and Communications	85	$16.72	6	$1.63
Buildings	111	$3.92	2	$0.82
Total	**663**	**$583.77**	**33**	**$45.85**

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $1.04 Billion

Transportation and Communications 2%
Water 4%
Capacity Development 4%
Economic Development 2%
Electricity 35%
Health Care 1%
Oil and Gas 18%
Refugees, Human Rights, and Education 2%
Security and Justice 32%

Employment Activities[e]

Other 1%
Self-Employed Farming 8%
Agricultural Labor 3%
Skilled Labor 4%
Non-Skilled Labor 17%
Public Servant 36%
Self-Employed Non-Farm 30%

Reliable Access to Potable Water[e]

Iraq 77.4%
Tameem 97.8%

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
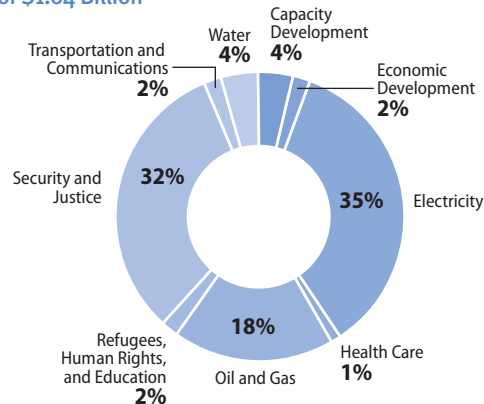[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Building and Democracy sectors accounted for less than one-half percent of the total cost.
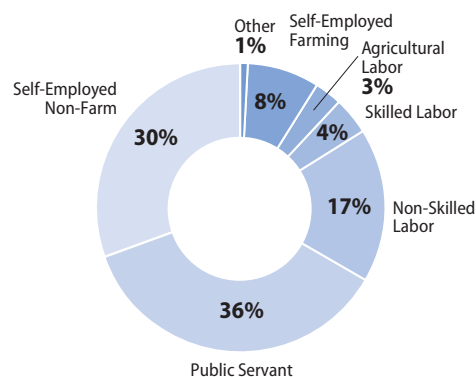[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.
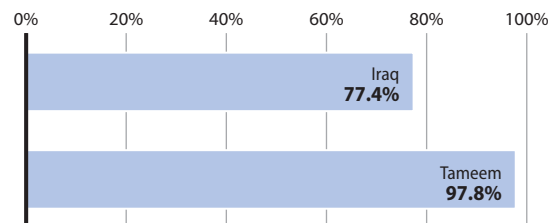
Governance and Democracy

Rule of Law. PRTs across Iraq expressed concerns about the new Security Agreement (SA), which places responsibility for security in Iraqi hands (subject to temporary assistance from U.S. forces as requested by the GOI). Although a family emergency caused Tameem's governor to be absent during transition to the new security structure, the province did not experience any significant problems. The PRT attributes the smooth transition to better coordination between Coalition and Iraqi forces. The Brigade Commander at Camp Speicher held a conference on December 27, 2008, to coordinate the SA-driven transition with Iraqi Police and Iraqi Army officials.[408]

On January 6, 2009, Tameem forces celebrated Iraqi Army Day, which commemorates the founding of the Iraqi Army. Members of each political party in Tameem and Coalition and Iraqi forces gathered at the K-1 army base to celebrate. Military training and police integration were discussed at the event.[409]

Education. Tameem province has not been participating in educational exchange programs as often as other areas of Iraq. The PRT is sponsoring a series of training sessions on educational exchange programs to increase the number of applications, qualified candidates, and nominees for DoS-sponsored programs.[410]

Economy

This quarter, the PRT economic team discovered that the Iraqi-led Provincial Investment Council for Tameem lacks understanding of its basic mission and the laws that define it. PRT Tameem is working to provide the council with guidance on how to achieve its mission.[411]

Essential Services

The PRT and Iraqi health authorities cooperated to provide better access to timely health care by supporting the **Kirkuk Mobile Health Clinic**, which serves patients living in rural villages who previously traveled long distances to reach health care facilities. The mobile clinic makes three trips each week, supported by a driver, a medical assistant, and a physician who offer medical services and vaccinations to 50 or more people per trip.[412] Since July 2008, the clinic has provided more than 3,000 vaccinations for diphtheria, polio, measles, Hepatitis B, and tetanus. It also runs health education programs on cholera prevention, personal hygiene, and vaccinations.[413]

Two helicopters at Kirkuk Regional Air Base. (506th Air Expeditionary Group photo)

USAID Program Quarterly Updates in Tameem

Local Governance Program	Nearly 100 officials received training in the courses provided in Tameem on subjects such as the Provincial Powers Law, Council bylaws, and negotiation and problem solving. The second phase of the Local Governance Program (LGP II) conducted its closeout process. There are no plans at this time to continue the LGP.
Iraq Community-based Conflict Mitigation	The ICCM Youth Component aims to link development assistance for youth to the reduction of tensions that could develop into violent conflict. This quarter, the ICCM conducted training in hairdressing as well as music and art. The ICCM also conducted a training of trainers on conflict resolution.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	The Marla Ruzicka Fund awarded four grants this quarter.
Quick Response Fund/Iraq Rapid Assistance Program	QRF funds provided three workshops on legal issues, personal-status law, and civil law for 60 participants; 6,000 monthly papers, brochures, and booklets about legal issues, civil law, and personal status were also printed and distributed. The fund has employed 17 people for one year. Additionally, the fund executed a micro-grant, which provided $115,000 as loan capital and $2,480 for procurement items that were delivered. The first 24 loans have been approved and disbursed.
Community Stabilization Program	Nearly 1,350 short-term and nearly 530 long-term jobs were created this quarter. Approximately 16 projects were completed. More than 1,332 youth have participated in more than 10 CSP-sponsored youth activities. The CSP also approved 159 Micro-Small-Medium Enterprise (MSME) grants and trained 32 people in business skills.
Tijara Program	Tijara is supporting two microfinance institutions (MFIs) operating in Tameem: the Iraqi-owned and operated microfinance center Al-Aman established by the Tijara predecessor, Izdihar, with its two offices covering Tameem; and the second MFI supported by Tijara, Al-Thiqa, run by a U.S. non-governmental organization. The two MFIs in Tameem have 2,339 loans outstanding, valued at $3,264,619, as of November 30, 2008. In October and November, Tijara's Al-Murshid Center conducted 27 business courses, reaching 1,209 participants. Subjects included "How to Start-up and Improve a Business."
Inma Program	Inma delivered 100 tons of wheat seed to Tameem ePRT in October 2008 for further distribution to farmers for the winter planting season.
Tatweer	More than 271 officials from Tameem have been trained in public administration and management.
Office of Foreign Disaster Assistance	OFDA funded the provision of medical equipment and supplies to four primary health care centers in Tameem and began training staff to use and maintain the equipment. Additionally, OFDA funded the purchase and distribution of 10 chlorine testing devices for water stations and laboratories and provided training for 20 people in operation and maintenance of the devices.

Source: USAID, response to SIGIR data call, 12/31/2008.
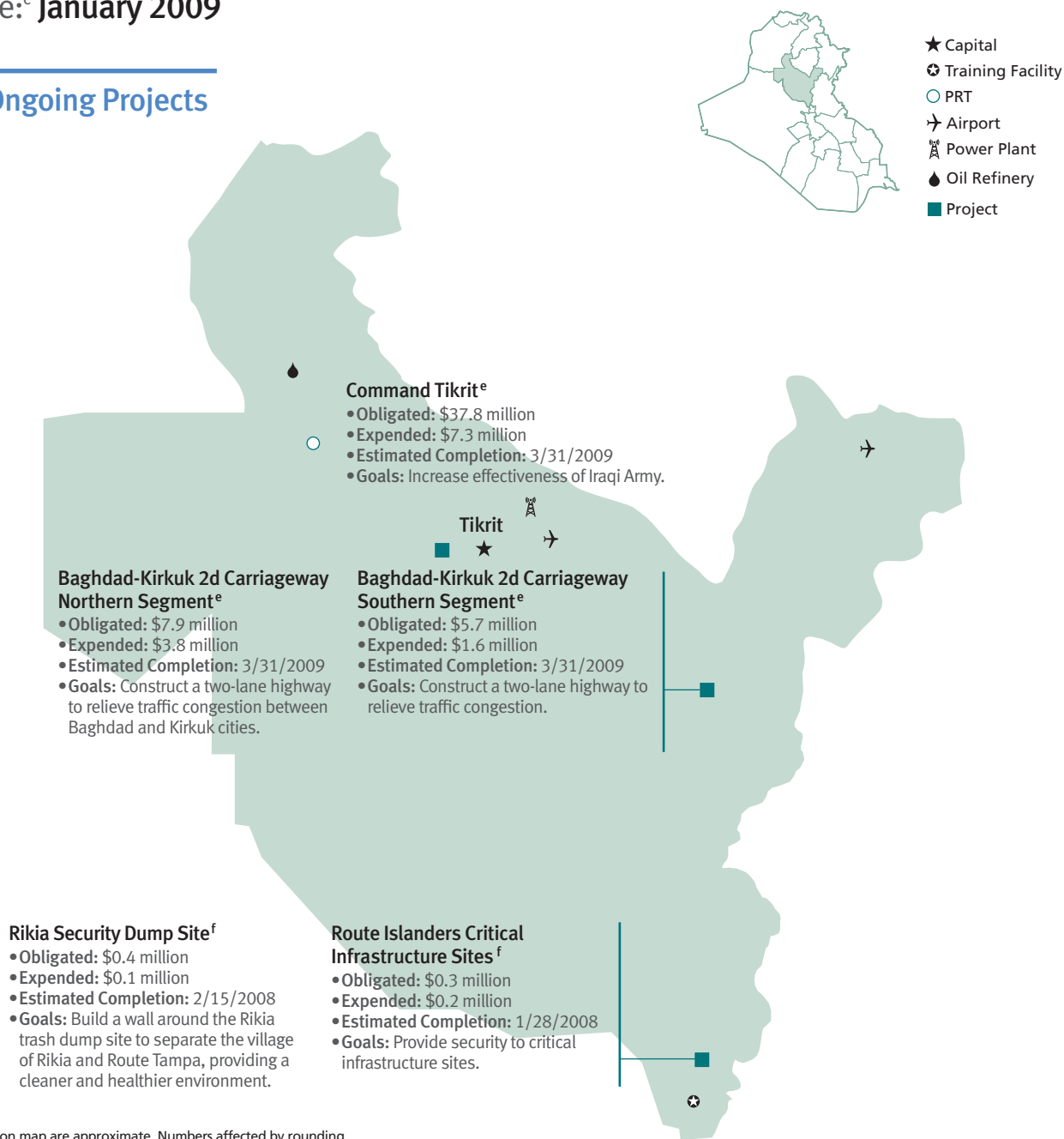
SALAH AL-DIN

Population:[a] **1.1 million**
Religion:[b] **4% Shia, 96% Sunni**
PIC Date:[c] **January 2009**

U.S. Projects:[d] **3,687**
U.S. Project Costs:[d] **$874.5 million**

★ Capital
✪ Training Facility
○ PRT
✈ Airport
⚏ Power Plant
⬤ Oil Refinery
■ Project

Major Ongoing Projects

Command Tikrit[e]
• **Obligated:** $37.8 million
• **Expended:** $7.3 million
• **Estimated Completion:** 3/31/2009
• **Goals:** Increase effectiveness of Iraqi Army.

Tikrit ★

Baghdad-Kirkuk 2d Carriageway Northern Segment[e]
• **Obligated:** $7.9 million
• **Expended:** $3.8 million
• **Estimated Completion:** 3/31/2009
• **Goals:** Construct a two-lane highway to relieve traffic congestion between Baghdad and Kirkuk cities.

Baghdad-Kirkuk 2d Carriageway Southern Segment[e]
• **Obligated:** $5.7 million
• **Expended:** $1.6 million
• **Estimated Completion:** 3/31/2009
• **Goals:** Construct a two-lane highway to relieve traffic congestion.

Rikia Security Dump Site[f]
• **Obligated:** $0.4 million
• **Expended:** $0.1 million
• **Estimated Completion:** 2/15/2008
• **Goals:** Build a wall around the Rikia trash dump site to separate the village of Rikia and Route Tampa, providing a cleaner and healthier environment.

Route Islanders Critical Infrastructure Sites[f]
• **Obligated:** $0.3 million
• **Expended:** $0.2 million
• **Estimated Completion:** 1/28/2008
• **Goals:** Provide security to critical infrastructure sites.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/09.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
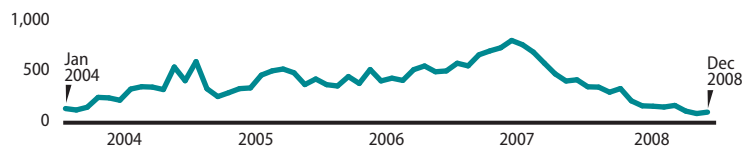[e] GRD, response to SIGIR data call, 1/5/2009.
[f] IRMS, *MNC-I Quarterly Report*, 1/7/2009.

Ongoing and Completed Infrastructure Projects[a]
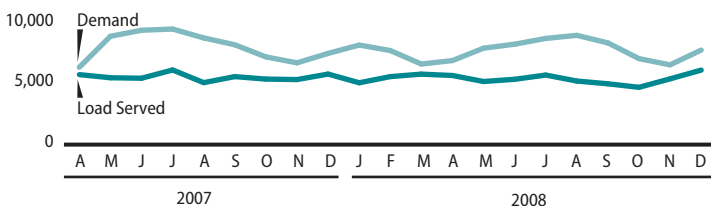### $ Millions

	Completed Project Count	Completed Project Cost	Ongoing Project Count	Ongoing Project Cost
Oil and Gas	22	$31.85	8	$49.98
Electricity	219	$322.23	3	$3.44
Water	351	$51.59	15	$3.02
Health Care	167	$16.03	5	$0.30
Transportation and Communications	250	$38.59	9	$36.85
Buildings	8	$3.41	22	$4.79
Total	**1,017**	**$463.70**	**62**	**$98.38**

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $874.5 Million

- Buildings **1%**
- Capacity Development **1%**
- Economic Development **2%**
- Electricity **37%**
- Health Care **2%**
- Oil and Gas **9%**
- Refugees, Human Rights, and Education **4%**
- Security and Justice **29%**
- Transportation and Communications **9%**
- Water **6%**

Employment Activities[e]

- Other **2%**
- Self-Employed Non-Farm **14%**
- Self-Employed Farming **32%**
- Agricultural Labor **3%**
- Skilled Labor **4%**
- Non-Skilled Labor **8%**
- Public Servant **38%**

Reliable Access to Potable Water[e]

- Iraq **77.4%**
- Salah Al-Din **71.3%**

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
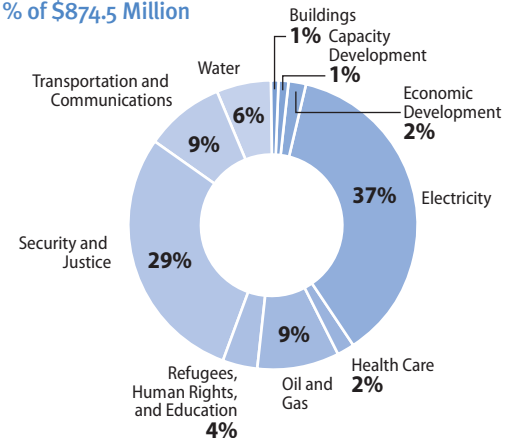[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Democracy sector accounted for less than one-half percent of the total cost.
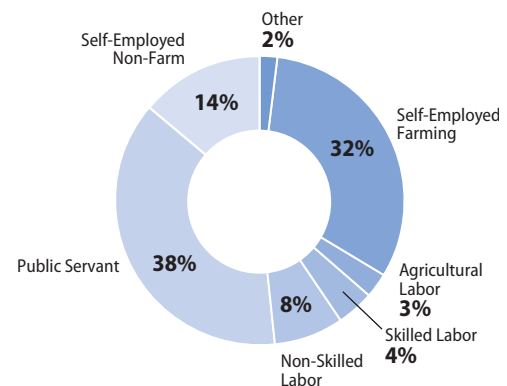[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.
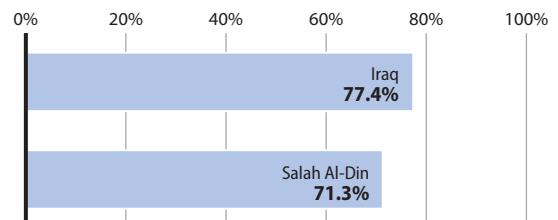
Essential Services

Water. PRT Salah Al-Din conducted a site visit of the **Siwish Water Treatment Plant** to assess its current capacity, problems, and the level of repair needed to maintain its operations. Leaders noted that although the plant is functional, it relies on 20-year-old equipment to stay operational. The PRT noted that unauthorized water taps had decreased water availability to the community. It is preparing a plan to install new equipment and provide resources to serve more residents.[414]

Electricity. The PRT is working with local officials to increase the output of the local electric power station. The station connects to the **Baiji Power Plant**; however, it has operated at diminished capacity since the theft of 10 electric transformers in 2003. The PRT will discuss increasing power with Ministry of Electricity officials in Baiji until plans can be made for new transformers.[415]

Health Care. The PRT assisted Salah Al-Din's Director General in gaining the Minister of Health's support for introducing values-based medicine in the province on a trial basis. If the trial succeeds, it may be replicated nationwide.[416]

Security and Justice

For the first time in many years, GOI ministers visited Samarra on official business. The PRT reports that the visit constitutes a milestone in the city's return to normalcy after being a center for al-Qaeda operations only a year ago.[417]

Governance and Democracy

More than 150 students and faculty gathered at the **University of Tikrit** to discuss the tenets of U.S. higher education. This collaborative event would not have been possible six months ago because of security concerns.[418]

Economy

The **Farmers Union Hoop House** project has been completed,[419] providing 28 greenhouses to farmers.[420] Through two additional projects, 116 more greenhouses will be delivered.[421] The program was designed to demonstrate the use of hoop-house technology and drip irrigation.[422]

An Iraqi worker sands a mirror frame for a remodeling project at the Salah Al-Din Skills Training Center. (2nd Brigade Combat Team, 4th Infantry Division photo)

USAID PROGRAM QUARTERLY UPDATES IN SALAH AL-DIN

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. LGP III will begin in January 2009.
Iraq Community-based Conflict Mitigation	There were no ICCM projects completed this quarter in Salah Al-Din.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	No Marla Ruzicka Fund projects were completed this quarter.
Quick Response Fund/Iraq Rapid Assistance Program	QRF/IRAP funding has provided support to Project Al Mustaqbal, which purchased equipment for the Iraq Nursing Training Program.
Community Stabilization Program	Nearly 1,655 short-term and nearly 115 long-term jobs were created this quarter; 10 Community Infrastructure and Essential Services projects were completed. More than 720 youths have participated in a variety of CSP-sponsored youth activities, and about 125 trainees graduated from vocational training and apprenticeship courses.
Tijara Program	The Tijara program supports two microfinance institutions (MFIs); one organization has an office in Tikrit and four satellite offices (in Baiji, Al-Daur, Aldhuluiya, and Aldujail). Microfinance offices have 446 loans outstanding, valued at $416,604 as of November 30, 2008. Since inception, 574 loans have been awarded, valued at $1,417,970.
Inma Program	USAID's Inma Agribusiness Program has enabled the Balad Canning Factory to re-establish the electricity and water supplies necessary to resume production in 4 of its 11 production lines.
Tatweer	More than 153 officials from the province have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	The Office of U.S. Foreign Disaster Assistance (OFDA) provides support and assistance to IDPs through three implementing partners in the following sectors: health; logistics and relief commodities; protection; shelter and settlements; water, sanitation, and hygiene; and economy and market systems.

Source: USAID, response to SIGIR data call, 12/31/2008.
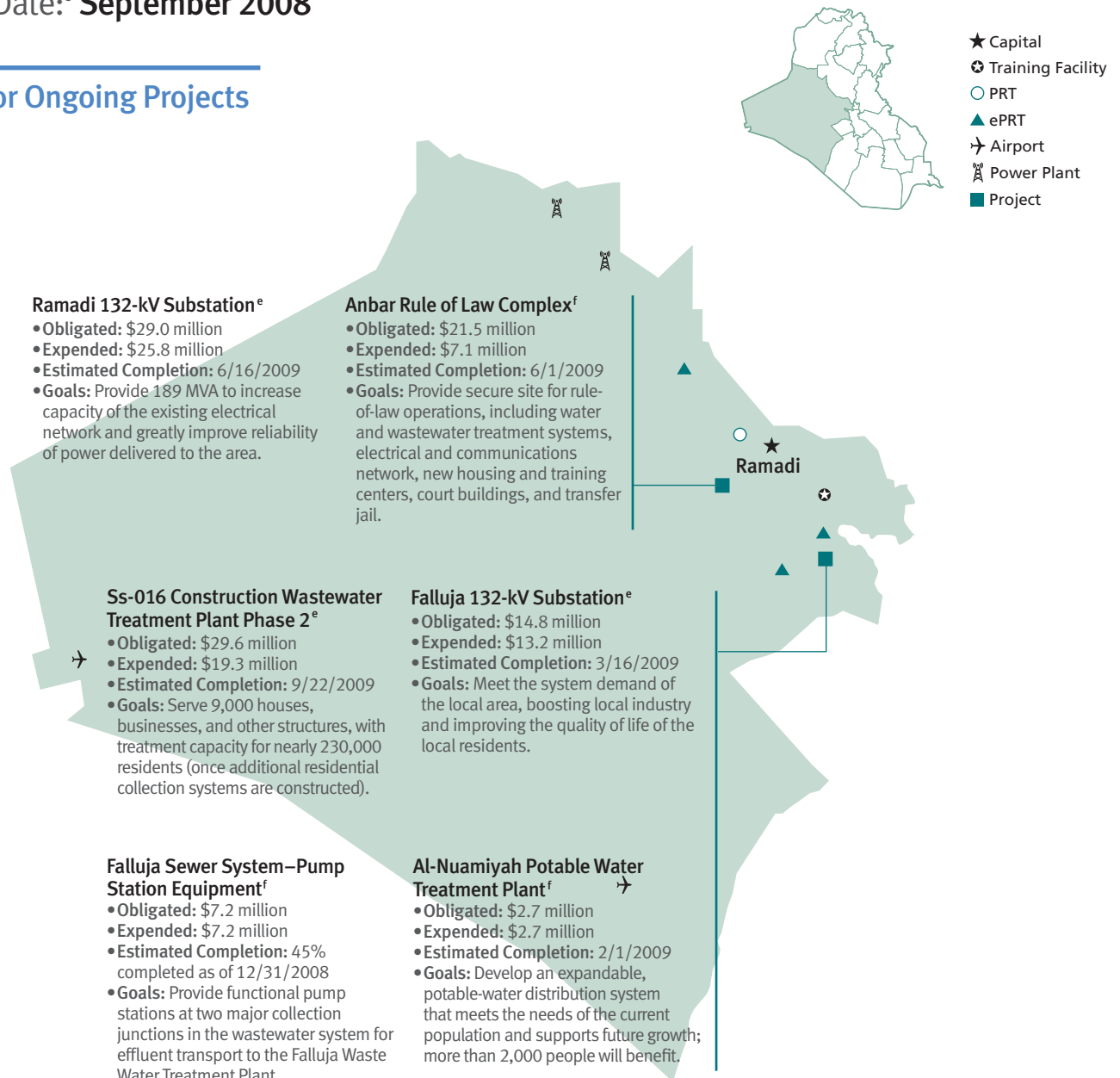
ANBAR

Population:[a] **1.3 million**
Religion:[b] **1% Shia, 99% Sunni**
PIC Date:[c] **September 2008**

U.S. Projects:[d] **7,971**
U.S. Project Costs:[d] **$1.84 billion**

Major Ongoing Projects

★ Capital
✪ Training Facility
○ PRT
▲ ePRT
✈ Airport
▯ Power Plant
◼ Project

Ramadi

Ramadi 132-kV Substation[e]
- **Obligated:** $29.0 million
- **Expended:** $25.8 million
- **Estimated Completion:** 6/16/2009
- **Goals:** Provide 189 MVA to increase capacity of the existing electrical network and greatly improve reliability of power delivered to the area.

Anbar Rule of Law Complex[f]
- **Obligated:** $21.5 million
- **Expended:** $7.1 million
- **Estimated Completion:** 6/1/2009
- **Goals:** Provide secure site for rule-of-law operations, including water and wastewater treatment systems, electrical and communications network, new housing and training centers, court buildings, and transfer jail.

Ss-016 Construction Wastewater Treatment Plant Phase 2[e]
- **Obligated:** $29.6 million
- **Expended:** $19.3 million
- **Estimated Completion:** 9/22/2009
- **Goals:** Serve 9,000 houses, businesses, and other structures, with treatment capacity for nearly 230,000 residents (once additional residential collection systems are constructed).

Falluja 132-kV Substation[e]
- **Obligated:** $14.8 million
- **Expended:** $13.2 million
- **Estimated Completion:** 3/16/2009
- **Goals:** Meet the system demand of the local area, boosting local industry and improving the quality of life of the local residents.

Falluja Sewer System—Pump Station Equipment[f]
- **Obligated:** $7.2 million
- **Expended:** $7.2 million
- **Estimated Completion:** 45% completed as of 12/31/2008
- **Goals:** Provide functional pump stations at two major collection junctions in the wastewater system for effluent transport to the Falluja Waste Water Treatment Plant.

Al-Nuamiyah Potable Water Treatment Plant[f]
- **Obligated:** $2.7 million
- **Expended:** $2.7 million
- **Estimated Completion:** 2/1/2009
- **Goals:** Develop an expandable, potable-water distribution system that meets the needs of the current population and supports future growth; more than 2,000 people will benefit.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
[e] GRD, response to SIGIR data call, 1/5/2009.
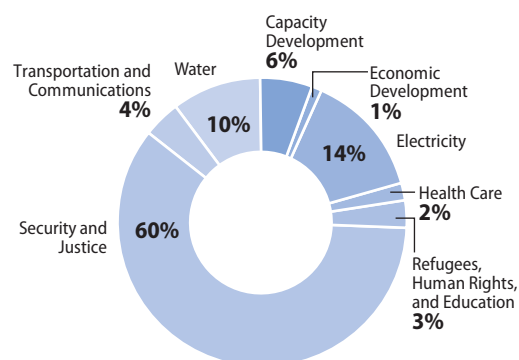[f] OPA, response to SIGIR data call, 1/8/2009.
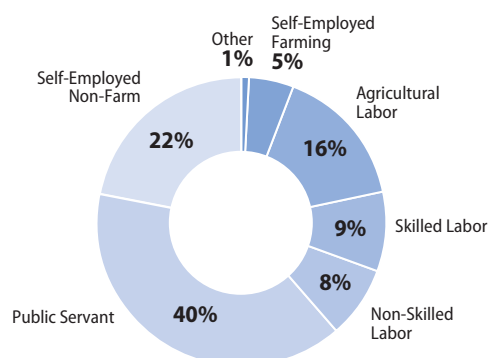
Ongoing and Completed Infrastructure Projects[a]
$ Millions

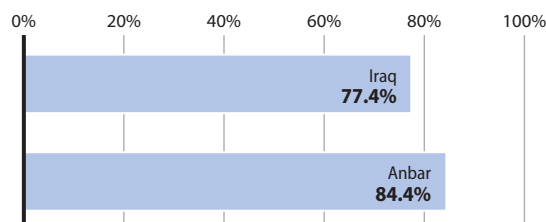|	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	420	$188.53	28	$62.69
Water	659	$126.13	53	$62.35
Health Care	185	$30.02	21	$7.08
Transportation and Communications	456	$58.58	28	$11.74
Buildings	30	$2.34	3	$3.73
Total	1,750	$405.60	133	$147.59

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $1.84 Billion

Employment Activities[e]

Reliable Access to Potable Water[e]

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Building and Democracy sectors accounted for less than one-half percent of the total cost.
[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.

Anbar Rule of Law Complex. (OPA photo)

Governance and Democracy

Elections. On December 4, 2008, nearly 100 political party candidates, leaders, and local dignitaries assembled for a pre-election conference at the **Anbar Government Center** in Ramadi. The Director of the Anbar Governorate Electoral Office led a discussion on the Iraqi election process. In his speech, he named several core campaign issues, including the importance of a non-violent election process and respect for other candidates during the campaign.[423]

Rule of Law. The Provincial Powers Law empowers provincial and district governments to conduct their own land-use planning, a right previously reserved for the national government. Anticipating this new authority, the Governor of Anbar has asked for PRT assistance in establishing an Office of Provincial Planning. In addition, PRT Anbar has identified a private contractor with experience in land planning for Anbar—an international company that has been consulting on land use for the city of Ramadi. PRT Anbar plans to expand this contract to cover the whole province, splitting the funding costs between U.S. funding sources and the GOI.[424]

Education. PRT Anbar has partnered with the Assistant Dean of the **Al-Anbar University Women's Education College** and the head of the Chemistry Department. The PRT is supporting an effort to provide equipment for the physics, chemistry, and biology laboratories at the college with funding from three QRF projects.[425] **Cornell University** has donated used computer equipment for Anbar's universities.[426]

Security and Justice

An ePRT team leader in Anbar expressed concern about deteriorating conditions in the province, most notably in December 2008. For the first time since coming to Iraq, he reports being refused service from a street vendor in the neighborhood in which he works. In the same vein this quarter, the U.S. Marines received a letter from a school it constructed, which read, "Thank you for the work you did for our school, but it is time for you to leave Iraq."[427]

Economy

Economic Development. PRT Anbar has announced that it will set up and mentor a 15-person planning office for Anbar, combining several PRT activities under one leadership office with these goals:

- integrating local and national development plans
- identifying new project proposals
- allocating resources
- limiting conflict and overlap between projects
- improving budget execution
- introducing new modern managerial technologies

PRT Anbar expects this office to be independent from PRT assistance and U.S. funding within 14 months.[428]

Agriculture. PRT Anbar is currently exploring the possibility of establishing a poultry disease laboratory. According to the PRT, Anbar has the potential to develop a poultry industry, but it lacks the infrastructure, marketing process, and modern animal laboratory equipment to screen for animal diseases.[429]

Essential Services

On December 31, 2008, the PRT Senior Oil Advisor co-hosted a meeting with key Iraq Republic Railway (IRR) personnel at the Al Rashid Hotel in Baghdad. The meeting was set to determine why the IRR had sent Haditha Oil Refinery far fewer railcars than initially agreed upon. The PRT senior advisor was joined by a U.S. major general, who represented Coalition forces at the meeting.[430]

USAID PROGRAM QUARTERLY UPDATES IN ANBAR

Local Governance Program	During this quarter the second phase of the Local Governance Program (LGP II) conducted its closeout process. There are no plans at this time to continue the LGP.
Iraq Community-based Conflict Mitigation	One project has identified hairdressing as a necessary skill in the Al-Qa'em district. Nearly 250 men and women will be trained in this skill to make them employable.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	This quarter, 11 Marla Ruzicka Fund projects were completed.
Quick Response Fund/Iraq Rapid Assistance Program	A grant to the Upper Euphrates fish hatchery repaired holding and storage water tanks, improved the egg cultivation facility, and restored a research laboratory to provide a viable native fish population to support local fishermen and people living along the shore with a livelihood, as well as a source of protein.
Community Stabilization Program	Nearly 5,500 short-term and nearly 4,000 long-term jobs were created this quarter. More than 7,046 youth have participated in CSP-sponsored activities. The CSP also approved 3,367 Micro-Small-Medium Enterprise (MSME) grants.
Tijara Program	Tijara is supporting three microfinance institutions (MFIs), which have 2,036 loans outstanding, valued at $3,117,152 as of November 30, 2008. Since inception, 2,224 loans have been disbursed, totaling $4,892,650.
Inma Program	Inma carried out maize planting and environmental monitoring of winter crop demonstrations. The program also delivered 50 tons of barley seed to ePRT Falluja in October 2008 for distribution to farmers for the winter planting season.
Tatweer	More than 444 officials from the province were trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication.
Office of Foreign Disaster Assistance	OFDA funded hygiene training for 16 teachers from 6 schools in the province.

Source: USAID, response to SIGIR data call, 12/31/2008.

DIYALA

Population:[a] **1.4 million**
Religion:[b] **48% Shia, 52% Sunni**
PIC Date:[c] **February 2009**

U.S. Projects:[d] **3,544**
U.S. Project Costs:[d] **$942.4 million**

★ Capital
✪ Training Facility
○ PRT
▲ ePRT
■ Project

Major Ongoing Projects

Regional Commando Base Ba'quba/Diyala/Forward Operating Base Gabe[e]
- Obligated: $9.0 million
- Expended: $0.9 million
- Estimated Completion: 4/8/2009
- Goals: Expand Iraqi Special Operations Forces Brigade regional base; meet the minimum requirements prescribed by the MNF-I.

Ba'quba General Hospital[f]
- Obligated: $7.4 million
- Expended: $1.4 million
- Estimated Completion: 6/17/2009
- Goals: Design and construct a new surgical expansion health center at Ba'quba General Hospital.

Iraqi Army Location Command at Kirkush[e]
- Obligated: $6.9 million
- Expended: $1.1 million
- Estimated Completion: 6/12/2009
- Goals: Increase effectiveness of the Iraqi Army.

★ Ba'quba

Ambulances for Diyala[g]
- Obligated: $1.2 million
- Expended: $0.6 million
- Estimated Completion: 8/31/2007
- Goals: Purchase ambulances for the province.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008; www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
[e] GRD, response to SIGIR data call, 1/5/2009.
[f] GRD, response to SIGIR data call, 1/5/2009; IRMS, *URI Lookup*, 1/14/2009.
[g] IRMS, *MNC-I Quarterly Report*, 1/7/2009.

Project Cost by Sector[d]

% of $942.4 Million

- Economic Development 1%
- Capacity Development 1%
- Water 16%
- Electricity 9%
- Transportation and Communications 3%
- Health Care 3%
- Refugees, Human Rights, and Education 3%
- Security and Justice 64%

Ongoing and Completed Infrastructure Projects[a]

$ Millions

	Completed Project Count	Completed Project Cost	Ongoing Project Count	Ongoing Project Cost
Oil and Gas	1	$2.89	-	-
Electricity	133	$79.20	6	$2.55
Water	343	$147.28	16	$3.95
Health Care	110	$14.36	14	$13.19
Transportation and Communications	205	$21.86	11	$1.20
Buildings	15	$0.93	3	$1.49
Total	**807**	**$266.52**	**50**	**$22.38**

Employment Activities[e]

- Other 1%
- Self-Employed Farming 16%
- Self-Employed Non-Farm 20%
- Agricultural Labor 14%
- Public Servant 33%
- Skilled Labor 13%
- Non-Skilled Labor 3%

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]

MWh per Day

Reliable Access to Potable Water[e]

- Iraq 77.4%
- Diyala 54.0%

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Building, Democracy, and Oil and Gas sectors accounted for less than one-half percent of the total cost.
[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.
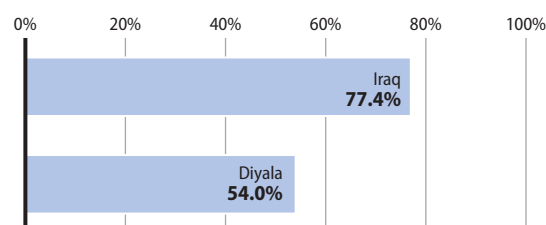
The *Iraqi Bee Journal*. (OPA photo)

Economy

Agriculture. In 2008, Diyala experienced its worst drought on record. With a limited irrigation infrastructure, Diyala farmers suffered from severe crop reductions. All summer crops were eliminated, and fall and winter plantings will be reduced. In response, PRT Diyala, in association with Coalition forces, sponsored a $1.8 million project to provide irrigation systems to rural Diyala. The project will provide modern irrigation technology. Funded with Iraqi money through the I-CERP, the first shipment of irrigation goods is currently en route; project completion is expected by June 30, 2009.[431] The PRT reports that a silver lining of the drought is that the government and people of Diyala are now more receptive to new forms of crop irrigation.[432]

The Central Iraqi Beekeepers Association (CIBA) published an **Iraqi Bee Journal**. Diyala province contains more than 18,000 registered beehives. The journal details for beekeepers how to protect hives in emergencies, how to winterize the hives, and how to deter pest infestation. Sales from the journal will provide the association with needed capital.[433] Also this quarter, CIBA adapted modern honey-processing machines.[434]

Budget. Two major problems are delaying Diyala's budget execution. The public sector banks Rafidain and Al-Rasheed are not able to pay contractors on a timely basis because of the inadequate supply of banknotes. The slow payment problem is contributing to the difficulty in attracting bidders for some projects. Although Diyala has received some 2008 funding, the province has spent 18% of its $168 million budget.[435] The Ministry of Finance has yet to release Diyala's budget allocation for 2007.[436] Many contractors are still owed millions of dollars from ongoing and completed projects.[437]

Security and Justice

Detention centers around Diyala experienced severe overcrowding this quarter because of a massive backlog of court cases. For example, the **Khamees Detention Center,** with capacity for 200 inmates, currently houses more than 450. PRT Diyala's rule-of-law team has reported for nearly a year that the local jails are understaffed and underfunded, and that the detainees live in unsanitary conditions. The severe overcrowding, combined with an insufficient water supply, has led the GOI to send a special team of judges and investigators from Baghdad to review cases. The PRT is working closely with local judicial officials to monitor and address deficiencies in the system.[438]

USAID PROGRAM QUARTERLY UPDATES IN DIYALA

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. LGP III will begin in January 2009.
Iraq Community-based Conflict Mitigation	ICCM currently is conducting two youth programs in Diyala: a workshop on carpentry for 100 males and a sewing workshop for 48 males and 72 females.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	One Marla Ruzicka Fund project was completed in Diyala.
Quick Response Fund/Iraq Rapid Assistance Program	QRF/IRAP funding is supporting the Diyala Governorate Election Office, as well as projects to increase the effectiveness of Agricultural Extension, which fund demonstration farms and a harvesting lugs (collection bins) project.
Community Stabilization Program	Nearly 500 short-term and nearly 30 long-term jobs were created this quarter. Approximately 8 Community Infrastructure and Essential Services projects were completed, and more than 3,262 youths participated in CSP-sponsored youth activities.
Tijara Program	The Tijara program supports one microfinance institution (MFI) in Diyala province, Al-Thiqa. The Al-Thiqa branch office in Diyala has disbursed 1,172 loans, valued at $1,885,385 as of November 30, 2008. Since inception, 2,847 loans have been disbursed, valued at $6,479,212.
Inma Program	Inma supported maize planting and environmental monitoring of winter crop demonstrations. The program also delivered 100 tons of wheat seed to ePRT Diyala in October 2008 for distribution to farmers for the winter planting season. Inma also conducted a butcher's focus group survey to assess and report on the practices of butchers in the province.
Tatweer	More than 158 officials from the province have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	The Office of U.S. Foreign Disaster Assistance (OFDA) funded the provision of winterization kits and other non-food items to 766 families returning to Ba'quba and surrounding areas.

Source: USAID, response to SIGIR data call, 12/31/2008.

Governance and Democracy

In preparation for elections on January 31, 2009, the number of voting centers has been increased. Initially, only 325 centers were planned; however, in response to concerns that rural communities would have trouble getting to a center, an additional 42 special centers will be open for voting.[439] Intense debate is taking place in response to efforts to delay elections in Diyala.

The Kurds have expressed concern that a large number of internally displaced persons returning to Diyala have missed their chance to register to vote, which could potentially skew the election. The Sunnis declared that, despite the arrests of many powerful Sunni politicians, elections should not be delayed. Sunni politicians have stated that delaying elections may compromise the legitimacy of the elected officials in the eyes of the public. PRT Diyala believes that the Sunnis are in the best position to win the election, though a delay may allow the Shia to improve preparations for elections. There will be 29 seats available on the Diyala Provincial Council when elections take place.[440]

Essential Services

Electricity. In December 2008, Baghdad sharply cut the electricity supply allocated to Diyala. The Ministry of Electricity is reducing the supply to provinces that have other sources of electrical power because of the high demand for electricity nationwide. Diyala receives much of its power through a 132-kV line from Iran.[441]

Water. The Director General of Water Resources authorized the release of more water for the entire province. The increase of the release rates of water levels at the **Hanrin Dam** and the **Darbandikhan Dam** is improving the water supply for residents of Diyala. The **Qazania Dam** was completed for the Baladrooz area this quarter. It will be able to store an additional 1 million cubic meters of water.[442]

BAGHDAD

Population:[a] **6.4 million**
Religion:[b] **80% Shia, 20% Sunni**
PIC Date:[c] **May 2009**

U.S. Projects:[d] **19,384**
U.S. Project Costs:[d] **$6.7 billion**

★ Capital
○ PRT
▲ ePRT
✈ Airport
⚡ Power Plant
⬤ Oil Refinery

Major Ongoing Projects

Qudas Power Plant Expansion[e]
- **Obligated:** $168.8 million
- **Expended:** $157.5 million
- **Estimated Completion:** 3/15/2009
- **Goals:** Provide additional 200–246 MW in Baghdad, adding to the stabilization of grid voltage and frequency.

Farabi & Jamila 132-kV Substation[e]
- **Obligated:** $48.1 million
- **Expended:** $42.1 million
- **Estimated Completion:** 3/31/2009
- **Goals:** Provide substations capable of handling 189 MVA, increasing the capacity of the existing electrical network.

Sadr City R3 Water Treatment Plant[e]
- **Obligated:** $27.3 million
- **Expended:** $20.2 million
- **Estimated Completion:** 1/15/2009
- **Goals:** Provide 4,000 m³/hr of potable water to serve 192,000 residents in Sadr City.

Agarguf 132-kV Overhead Line[f]
- **Obligated:** $0.5 million
- **Expended:** $0.5 million
- **Estimated Completion:** Not available
- **Goals:** Improve the reliability of grid power to Baghdad International Airport.

Karkh Water Treatment Plant[f]
- **Obligated:** $7.4 million
- **Expended:** Not available
- **Estimated Completion:** 42% complete as of 12/8/2008
- **Goals:** Rehabilitate back-up power system to ensure operation of the Karkh Water Treatment Plant (the largest in Baghdad) when power is not available from the Baghdad electrical grid.

Baghdad

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
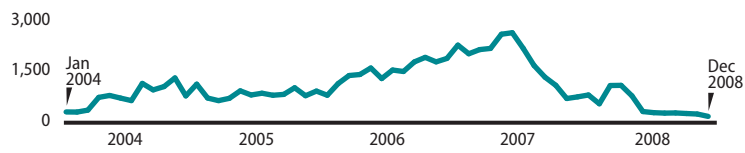[e] GRD, response to SIGIR data call, 1/5/2009.
[f] GRD, *Monthly SITREP*, 12/8/2008.

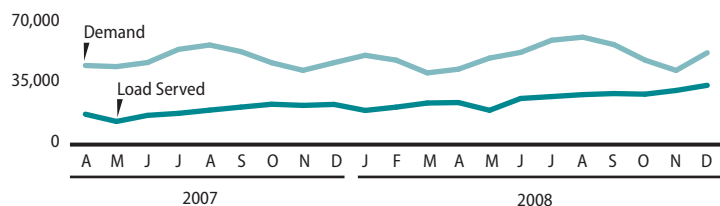## Ongoing and Completed Infrastructure Projects[a]
$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	22	$32.36	3	$14.62
Electricity	700	$1,210.00	69	$295.75
Water	1,337	$639.85	131	$129.90
Health Care	269	$66.33	41	$10.17
Transportation and Communications	537	$514.33	46	$18.41
Buildings	79	$29.62	7	$1.10
Total	**2,944**	**$2,492.49**	**297**	**$469.95**

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $6.7 Billion

Capacity Development **8%**
Democracy **1%**
Economic Development **1%**
Electricity **22%**
Health Care **1%**
Oil and Gas **1%**
Refugees, Human Rights, and Education **3%**
Security and Justice **43%**
Transportation and Communications **8%**
Water **12%**

Employment Activities[e]

Self-Employed Farming **17%**
Agricultural Labor **1%**
Skilled Labor **8%**
Non-Skilled Labor **8%**
Public Servant **38%**
Self-Employed Non-Farm **28%**

Reliable Access to Potable Water[e]

Iraq **77.4%**
Baghdad **89.3%**

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Building sector accounted for less than one-half percent of the total cost.
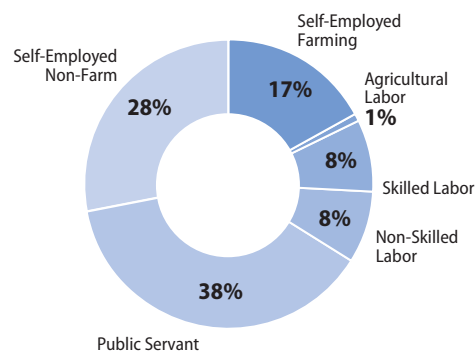[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.

Security and Justice
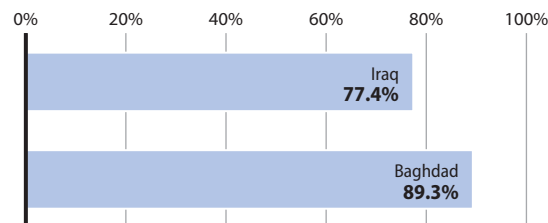
PRT leadership reports that the U.S. Embassy did not provide guidance as to who would be responsible for the security of PRTs operating outside of the International Zone after January 1, 2009, the effective date of the new Security Agreement. Lacking specific information about the agreement's impact on local security, the PRT Baghdad team leader has halted PRT team movements outside the International Zone.[443]

Economy

Economic Development. A new grant pilot program is being launched as a joint effort between PRT Baghdad, ePRT-1, and the local U.S. Infantry Division to improve the rapport between Iraqi banks and small businesses by enhancing communication. An improved relationship between these parties could result in stronger lending programs and better business opportunities.[444] Funds from the CERP micro-grant program will provide grants of up to $5,000 in aid to small businesses. Although most CERP micro-grants are disbursed through the U.S. military, grant pilot program funds will be disbursed through local Iraqi financial institutions.[445] DoS expects that either the Bank of Baghdad or Al Warka Bank will be used.[446] As of December 6, 2008, the pilot program had approved grants for 11 businesses.[447]

This quarter, the Ministry of Labor and Social Affairs (MOLSA) answered questions about its micro-loan program at a provincial economic meeting. Although the organization has pledged a $90 million loan to Baghdad, and has committed the funds, only $30 million has been disbursed. The remaining $60 million has been held because of a misunderstanding of roles between the MOLSA and the Provincial Council. The Provincial Council Economic Chairman has agreed to meet with the Director General of MOLSA to clarify the responsibilities of each organization.[448]

PRT Baghdad staff met with the president of a private technology company to discuss the potential introduction of **Tejari,** an online eMarketplace being implemented throughout the Middle East, including Kurdistan. Use of the website would allow Baghdad to advertise its contracts to a greater audience. It would also introduce a greater level of transparency into the system.[449]

The Ministry of Trade (MOT) organized an International Investment and Reconstruction Workshop—the MOT's first trade show since 2003. The show drew more than 167 companies. Foreign representatives from Italy, Sweden, Brazil, Spain, and Britain also participated.[450]

Governance and Democracy

Rule of Law. This quarter, PRT Baghdad's ROL team made its first visit to **al-Karradah Female Juvenile Detention Center**, run by the MOLSA. The team found the center to be in good condition, with an adequate power supply. The facility houses 14 girls, aged 14–17, accused of serious crimes, including terrorist activity, murder, and theft. Eight of the girls have been adjudicated, and six are awaiting trial. Some of the prisoners have attorneys, to whom they reportedly have unrestricted access. An Iraqi judge and the juvenile corrections committee of MOLSA visit the facility monthly.[451]

A homeless shelter for boys, also run by MOLSA, is co-located at the center. The facility houses 51 boys, with a maximum capacity of 60, and is reportedly in good condition. PRT Baghdad plans to work with the United Nations Childrens' Fund to add effective rehabilitation programs to the facility. DoS reports that control of the complex is the subject of inter-ministry dispute. Although the MOLSA claims responsibility for it, PRT reports indicate that the Minister of Interior is lobbying to have the area turned into a private residence for himself.[452]

Elections. In preparation for provincial elections, the PRT Baghdad governance team organized and translated party lists for the candidates for Provincial Council seats. More than 2,000 people have registered as candidates for the elections.[453]

There are indications that the civilian electoral officials and ISF commanders are using different polling location lists. Informal surveys suggest that many Baghdad residents do not yet know where to vote. NGOs responsible for elections have just begun to sponsor radio ads, posters, and flyers to inform voters.[454]

A one-day training was held for candidate nominees.[455] Thirty-two candidate nominees attended the training,[456] which was conducted by the International Republican Institute (IRI) using DoS funds.[457] PRT Baghdad, ePRT-3, and the U.S. Embassy Political section provided support for the sessions.[458]

Refugees and IDPs. The U.S. Institute of Peace held a conference on internally displaced persons (IDPs) at the **Al-Rasheed Hotel** in Baghdad. The conference focused on the continuing difficulties facing Iraqis who have left their homes, but not the country. Concerns remain about the Ministry of Displacement and Migration infrastructure. The Ministry struggles with maintenance of IDP files, complex registration services, and an inability to offer broader assistance to IDPs.[459] A member of the Baghdad Provincial Council IDP committee expressed concerns about MOLSA policies. The Council member believes that IDPs who are members of the Dawa party are receiving more benefits from the ministry than those who are members of other political parties.[460]

Qudas power plant. (USACE photo)

Education. In January 2009, the **Huda Girls School** in northern Baghdad opened, allowing more than 1,000 high school and middle school students to begin classes. With cooperation from the ePRT, local government officials, and residents, rebuilding of the school was completed this quarter—two years after the building was damaged in an insurgent attack.[461]

Essential Services

PRT Baghdad team members met with the Baghdad Deputy Mayor to get approval for an experimental trash collection program. If implemented, the program would improve the city's waste-management system. The project is a joint effort between PRT Baghdad and the Amanat, and program costs will be shared between the two.[462]

USAID Program Quarterly Updates in Baghdad

Local Governance Program	The Governorates Accounting and Project Tracking Information System (GAPTIS) was installed during the first week of October, and 25 people were trained to use it. Additional PC training was conducted the week after. The second phase of the Local Governance Program (LGP II) conducted its closeout process. LGP III will begin in January 2009.
Iraq Community-based Conflict Mitigation	The ICCM's youth program produced TV shows (Shabab Ya Iraq) for 10,000 young viewers and provided a sewing training course for 200 young women, as well as workshops designed to communicate methods of living together peacefully for 600 children in Sadr City.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	This quarter, 103 Marla Ruzicka Fund projects were completed in Baghdad.
Quick Response Fund/Iraq Rapid Assistance Program	The QRF/IRAP provided local governance training in the Rasheed District for neighborhood councils and capacity-building training for the Mahmudiyah Qada Council.
Community Stabilization Program	Nearly 26,300 short-term and nearly 1,500 long-term jobs were created this quarter. About 25,500 youth have participated in CSP-sponsored youth activities.
Tijara Program	Two microfinance institutions have disbursed 4,993 loans, valued at $5,934,051 as of November 30, 2008. Since inception, 14,972 loans have been disbursed, totaling $26,757,902. All 11 member banks of the Iraqi Company for Bank Guarantees (ICBG) have their headquarters in Baghdad province. As of November 2008, the ICBG had guaranteed 48 loans, totaling $597,794.
Inma Program	Inma has several agricultural initiatives in Baghdad province. Examples include greenhouse demonstration projects in Taji and rehabilitation of New Baghdad Market Distribution of high-quality seeds and plastic for greenhouses in Taji and Abu Ghraib. The program also provided a non-electric water pump for feedlot and nursery activities. The rehabilitation of the Nissan market (new Baghdad market) is nearing completion. Inma installed T-walls and cold-chain equipment and assisted in the establishment of a local NGO, NINMA, to manage the market.
Tatweer	About 2,500 officials from Baghdad were trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	OFDA provides support and assistance to IDPs in Baghdad through three implementing partners in the following sectors: health, logistics and relief commodities, protection, shelter and settlements, water, sanitation and hygiene, and economy and market systems. OFDA partners procured, transported, and stored emergency relief items for 3,600 beneficiaries in central provinces, including Baghdad, Anbar, Babylon, Wassit, and Najaf.

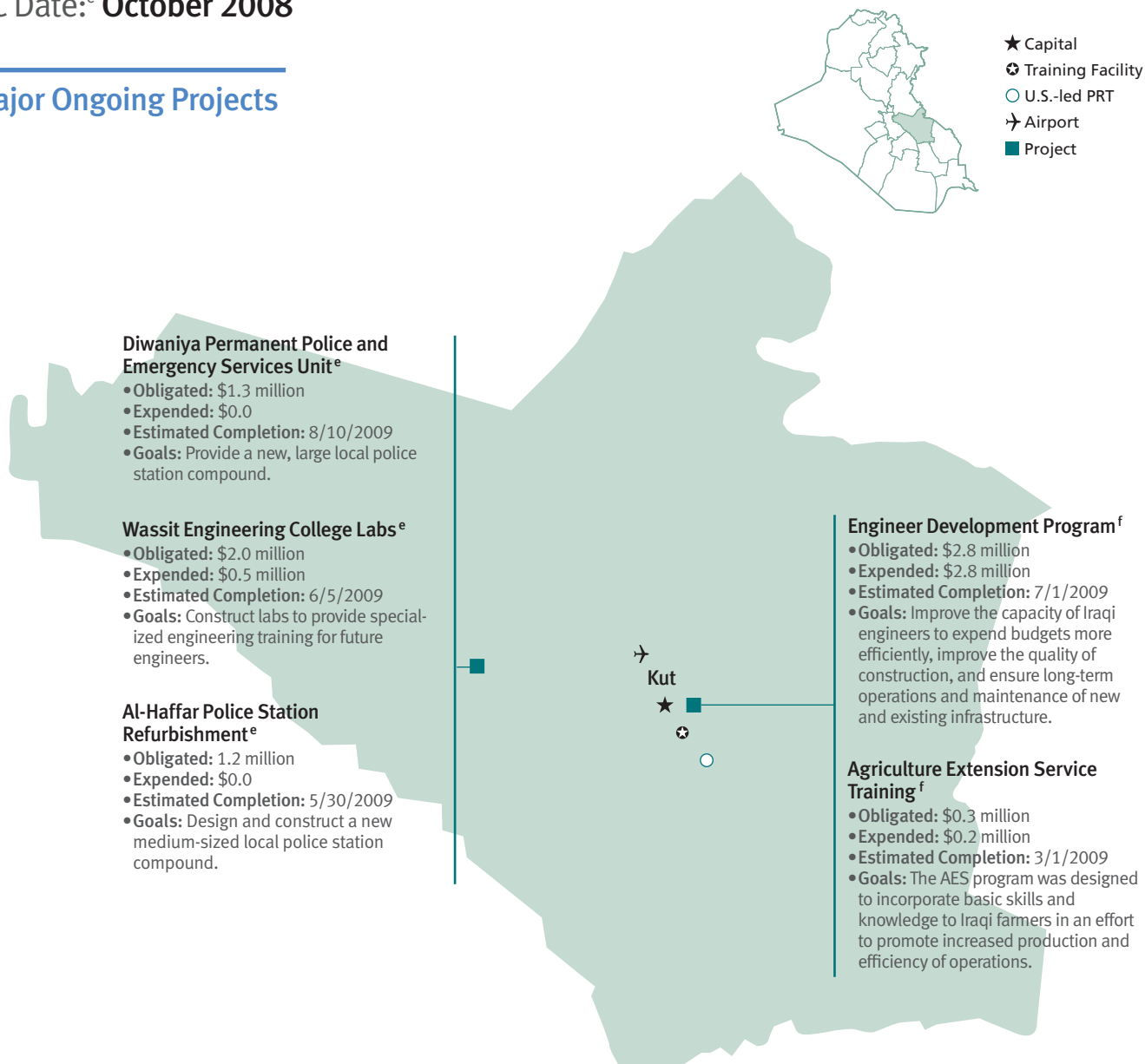**Source:** USAID, response to SIGIR data call, 12/31/2008.

WASSIT

Population:[a] **942,000**
Religion:[b] **100% Shia**
PIC Date:[c] **October 2008**

U.S. Projects:[d] **1,483**
U.S. Project Costs:[d] **$459.9 million**

Legend:
- ★ Capital
- ✪ Training Facility
- ○ U.S.-led PRT
- ✈ Airport
- ■ Project

Major Ongoing Projects

Diwaniya Permanent Police and Emergency Services Unit[e]
- **Obligated:** $1.3 million
- **Expended:** $0.0
- **Estimated Completion:** 8/10/2009
- **Goals:** Provide a new, large local police station compound.

Wassit Engineering College Labs[e]
- **Obligated:** $2.0 million
- **Expended:** $0.5 million
- **Estimated Completion:** 6/5/2009
- **Goals:** Construct labs to provide specialized engineering training for future engineers.

Al-Haffar Police Station Refurbishment[e]
- **Obligated:** 1.2 million
- **Expended:** $0.0
- **Estimated Completion:** 5/30/2009
- **Goals:** Design and construct a new medium-sized local police station compound.

Engineer Development Program[f]
- **Obligated:** $2.8 million
- **Expended:** $2.8 million
- **Estimated Completion:** 7/1/2009
- **Goals:** Improve the capacity of Iraqi engineers to expend budgets more efficiently, improve the quality of construction, and ensure long-term operations and maintenance of new and existing infrastructure.

Agriculture Extension Service Training[f]
- **Obligated:** $0.3 million
- **Expended:** $0.2 million
- **Estimated Completion:** 3/1/2009
- **Goals:** The AES program was designed to incorporate basic skills and knowledge to Iraqi farmers in an effort to promote increased production and efficiency of operations.

Kut

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
[e] GRD, response to SIGIR data call, 1/5/2009.
[f] OPA, response to SIGIR data call, 1/8/2009.

Ongoing and Completed Infrastructure Projects[a]
$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	124	$55.29	1	$0.04
Water	230	$32.98	11	$1.42
Health Care	91	$11.78	7	$1.35
Transportation and Communications	86	$17.41	2	$0.38
Buildings	86	$5.04	2	$5.61
Total	**617**	**$122.50**	**23**	**$8.80**

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $459.9 Million

Employment Activities[e]

Reliable Access to Potable Water[e]

Note: Numbers affected by rounding.

Agricultural extension service training in Wassit. (OPA photo)

Governance and Democracy

Elections. Independent High Electoral Commission (IHEC) of Iraq representatives met with Iraqi Security Forces and PRT officials to discuss the upcoming provincial elections. Wassit expects to have 260 voting centers, each with several polling stations. Approximately 13 different voting centers will be provided for Iraqis who have been displaced from other provinces and are currently living in Wassit.[463]

The IHEC is currently coordinating security with the ISF in Wassit to provide security for the voting centers. Plans include having women on duty to search female voters.[464]

Capacity Building. The PRT is coordinating with the Ministry Directors General in Wassit to further capacity-building programs. The PRT continues to oversee infrastructure repair and technical education programs.[465]

Economy

Agriculture. PRT Wassit completed the **Agriculture Extension Service (AES) Training** programs in all 17 locations in the province. Of the $280,000 obligated for the program,

more than $245,000 has been expended. The goal of the AES programs was to provide local Iraqi farmers with basic skills and information that could enhance production and increase efficiency. AES contracted with the Wassit Agriculture Association to provide lectures and training programs that included demonstration plots.[466]

The PRT agriculture team met with the Ministry of Agriculture to discuss a shortage in fertilizer for the wheat crop. But this concern was largely ameliorated when an additional 4,000 tons were located.[467]

Banking. The Bank of Baghdad was expected to open a branch in Kut, in December 2008, but because of the difficulty in finding skilled and experienced personnel, the opening has been delayed.[468]

Essential Services

This quarter, the Director General of Electricity (Transmission) provided the PRT with a request for 14 technical training courses needed for ministry engineers and administrators.[469]

USAID Program Quarterly Updates in Wassit

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. LGP III will begin in January 2009.
Iraq Community-based Conflict Mitigation	No ICCM projects were completed this quarter.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	Eight Marla Ruzicka Fund projects were completed this quarter.
Quick Response Fund/Iraq Rapid Assistance Program	QRF recently funded the Project Smile program, which works to educate the population of Wassit about oral health, to reduce the prevalence of cavities among Wassit children between the ages of 4 and 12 years old, and to provide summer employment for Wassit University College of Medicine students, as well as part-time employment for underemployed nurses and teachers. Public health campaigns will also be designed and executed.
Community Stabilization Program	CSP is not active in Wassit.
Tijara Program	Two microfinance institutions (MFIs) in the Wassit province have disbursed 3,310 loans, valued at $3,481,698 as of November 30, 2008. Since inception, 4,590 loans have been disbursed, totaling $8,420,600. The Tijara project recently established the Iraqi Businessmen Union in Kut and continues to provide technical, training, and capacity-building assistance. The organization provides training and consultative products in the local community.
Inma Program	Inma is conducting a tomato demonstration trial in Kut with a select group of farmers, providing seed, fertilizer, soil testing, and technical support. The purpose of the trial is to demonstrate the profit potential of producing new high-solid tomato varieties.
Tatweer	More than 680 officials from the province have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	The Office of U.S. Foreign Disaster Assistance (OFDA) provides support and assistance to IDPs through two implementing partners. OFDA funded the ongoing extension of a water pipe network in the Al-Hay district to improve access to water for 690 IDPs.

Source: USAID, response to SIGIR data call, 12/31/2008.

BABYLON

Population:[a] **1.4 million**
Religion:[b] **95% Shia, 5% Sunni**
PIC Date:[c] **October 2008**

U.S. Projects:[d] **2,472**
U.S. Project Costs:[d] **$420 million**

★ Capital
○ PRT
▲ ePRT
■ Project

Major Ongoing Projects

Iskandariyah Vocational Center[e]
- **Obligated:** $4.4 million
- **Expended:** $3.2 million
- **Estimated Completion:** 4/5/2009
- **Goals:** Rehabilitate Iskandariyah Vo-Tech Phase III classroom building, including the student living quarters and auditorium.

Musayab Maternity Hospital[f]
- **Obligated:** $5.4 million
- **Expended:** Not available
- **Estimated Completion:** 4/30/2009
- **Goals:** Build a new maternity hospital.

Cold Storage Facility[f]
- **Obligated:** $1.8 million
- **Expended:** Not available
- **Estimated Completion:** 2/1/2009
- **Goals:** Impact the local food market and trade in surrounding provinces.

Road Construction[e]
- **Obligated:** $3.1 million
- **Expended:** Not available
- **Estimated Completion:** 2/23/2009
- **Goals:** Provide eight new lanes of asphalt paved road.

Hilla ★

Al-Shomali 12-Classroom Secondary School[e]
- **Obligated:** $1.2 million
- **Expended:** $90,800
- **Estimated Completion:** 6/11/2009
- **Goals:** Provide a 12-classroom secondary school.

Courthouse Hilla–SJ082[e]
- **Obligated:** $7.2 million
- **Expended:** $4.5 million
- **Estimated Completion:** 3/12/2009
- **Goals:** Provide a courthouse to serve more than 5 million residents in Babylon province and southeastern Iraq.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
[e] GRD, response to SIGIR data call, 1/5/2009.
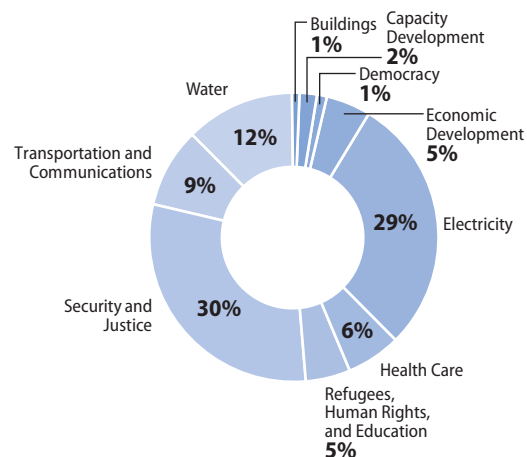[f] IRMS, *URI Lookup*, 1/21/2009.

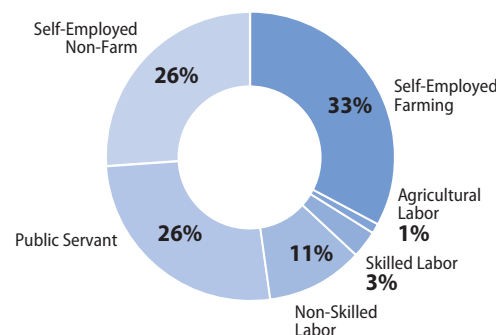## Ongoing and Completed Infrastructure Projects[a]
$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	144	$120.74	3	$0.30
Water	236	$45.41	15	$5.84
Health Care	95	$18.28	7	$7.12
Transportation and Communications	181	$25.14	8	$14.05
Buildings	60	$2.00	1	$0.37
Total	**716**	**$211.57**	**34**	**$27.68**

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $420 Million

Buildings 1%
Capacity Development 2%
Democracy 1%
Economic Development 5%
Electricity 29%
Health Care 6%
Refugees, Human Rights, and Education 5%
Security and Justice 30%
Transportation and Communications 9%
Water 12%

Employment Activities[e]

Self-Employed Non-Farm 26%
Self-Employed Farming 33%
Agricultural Labor 1%
Skilled Labor 3%
Non-Skilled Labor 11%
Public Servant 26%

Reliable Access to Potable Water[e]

Iraq 77.4%
Babylon 97.3%

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.

A sheik inspects a USACE water compact unit and distribution network in Babylon. (GRD photo)

Governance and Democracy

Elections. Upcoming elections have led to a flood of campaign posters and billboards in Babylon. Front-runners include the Islamic Supreme Council of Iraq (ISCI) and Dawa parties, along with their surrogate slates.[470] Dawa organized a peaceful political demonstration to show support for its candidates, drawing approximately 3,000 people.[471]

Ethical concerns have been surfacing as the date of provincial elections approaches. In response, 28 local party representatives in Babylon signed a pledge to run an honest election campaign. However, none were members of the ISCI or Dawa.[472] Buying votes is considered a standard practice in the region and not seen as illegal by either the public or law enforcement.[473] Buses have been arranged for rural voters and early voting will begin on January 28 in 20 locations throughout Babylon.[474]

A QRF grant is sponsoring 20 town hall meetings to educate community leaders on voting. The first was held on December 27, 2008, at Babil University.[475]

Rule of Law. The Commission on Integrity complained that charges against an employee at the Ministry of Transportation were improperly dropped after the Babylon Transportation Minister refused to cooperate with investigators.[476]

The Director of Juvenile Justice for Babylon made a public declaration deploring conditions in juvenile detention facilities through the province.[477]

Economy

The Provincial Council of Babylon learned that the province will receive no supplemental budget for 2008 and that the 2009 budget will be substantially reduced from original expectations. This will have an effect on the province's ability to sustain planned reconstruction and development projects.[478]

USAID Program Quarterly Updates in Babylon

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. LGP III will begin in January 2009.
Iraq Community-based Conflict Mitigation	A peace festival brought together 1,250 people from diverse backgrounds in Hilla.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	This quarter, 29 Marla Ruzicka Fund projects were completed.
Quick Response Fund/Iraq Rapid Assistance Program	Assistance was provided for the Babylon prosthetics program, rural water project, Disabled Awareness Initiative, Medical Library and Internet Center, Mahawil Hospital Library, and for the Iskandariyah Hospital to purchase emergency supplies.
Community Stabilization Program	Nearly 2,300 short-term and nearly 530 long-term jobs were created this quarter. More than 2,295 youth have participated in 10 CSP-sponsored youth activities, 495 graduated from vocational skills training, and 141 were placed in new apprenticeships with local businesses.
Tijara Program	Two microfinance institutions have disbursed 2,199 loans, valued at $3,640,174 as of November 30, 2008. Tijara also opened a Small Business Development Center in Hilla. As of November, the ICBG had guaranteed 18 loans distributed by member banks in Babylon, totaling $490,277.
Inma Program	Inma is improving fish farming across the province, which is home to 70% of Iraq's fisheries. Inma delivered 100 tons of wheat seed and 50 tons of barley seed to ePRT Babil in October 2008 for distribution to farmers for the winter planting season.
Tatweer	More than 718 officials from the province have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as human resource management, fiscal management, and procurement.
Office of Foreign Disaster Assistance	OFDA funded a mobile health clinic operating in the Al-Hashimia district, benefiting 5,400 patients.

Source: USAID, response to SIGIR data call, 12/31/2008.

QADISSIYA

Population:[a] **867,000**
Religion:[b] **100% Shia**
PIC Date:[c] **July 2008**

U.S. Projects:[d] **1,466**
U.S. Project Costs:[d] **$268.7 million**

★ Capital
○ PRT
■ Project

Major Ongoing Projects

Diwaniyah 132-kV Ais Substation[e]
- **Obligated:** $25.2 million
- **Expended:** $23.4 million
- **Estimated Completion:** 2/28/2009
- **Goals:** Provide a substation with 189-MVA capacity to improve reliability of power and provide relief to the aging substation in Diwaniya.

Al-Irshad Secondary School For Girls[f]
- **Obligated:** $1.2 million
- **Expended:** $0.8 million
- **Estimated Completion:** 1/28/2009
- **Goals:** Provide a secondary school for gifted female students; candidates for admission must be nominated by their schools and personally endorsed by the governor of the province.

Al-Forat Concrete Road[f]
- **Obligated:** $2.9 million
- **Expended:** $0.0
- **Estimated Completion:** 2/1/2009
- **Goals:** Provide a concrete roadway to connect Al-Forat and the University District, providing citizens a more direct route of travel.

★ Diwaniya

Zurbatiya Poe Cargo Transload Area[e]
- **Obligated:** $5.1 million
- **Expended:** $1.5 million
- **Estimated Completion:** 2/18/2009
- **Goals:** Plan, develop, and construct a cargo transfer area and yard at the Zurbatiya point of entry to accommodate up to 30 vehicles.

Iraqi Army Numaniyah Location Command[e]
- **Obligated:** $6.7 million
- **Expended:** $0.0
- **Estimated Completion:** 5/30/2009
- **Goals:** Provide command and associated facilities for an Iraqi Army Location Command.

Al-Jumhoury Primary Health Clinic[f]
- **Obligated:** $0.5 million
- **Expended:** $0.2 million
- **Estimated Completion:** 1/31/2009
- **Goals:** Provide health care to a neighborhood of 15,000 economically deprived residents in the Al-Jumhoury area of Diwaniya.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
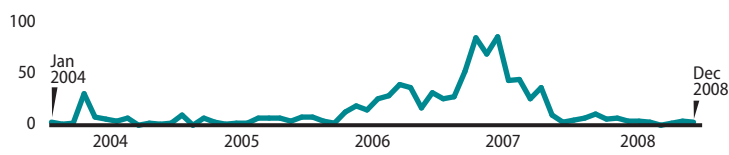[e] GRD, response to SIGIR data call, 1/5/2009.
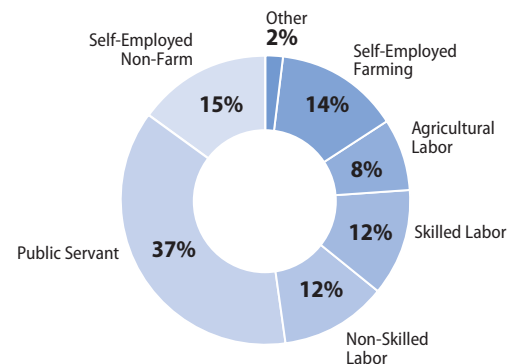[f] OPA, response to SIGIR data call, 1/8/2009.

Project Cost by Sector[d]
% of $268.7 Million

- Buildings **1%**
- Capacity Development **1%**
- Democracy **1%**
- Economic Development **5%**
- Electricity **33%**
- Health Care **5%**
- Refugees, Human Rights, and Education **7%**
- Security and Justice **27%**
- Transportation and Communications **9%**
- Water **11%**

Ongoing and Completed Infrastructure Projects[a]
$ Millions

	Completed Project Count	Completed Project Cost	Ongoing Project Count	Completed Project Cost
Electricity	111	$61.12	2	$26.35
Water	185	$27.90	13	$2.96
Health Care	75	$13.79	2	$0.56
Transportation and Communications	71	$19.88	3	$3.45
Buildings	52	$2.36	-	-
Total	**494**	**$125.05**	**20**	**$33.32**

Employment[e]

- Other **2%**
- Self-Employed Farming **14%**
- Agricultural Labor **8%**
- Skilled Labor **12%**
- Non-Skilled Labor **12%**
- Public Servant **37%**
- Self-Employed Non-Farm **15%**

Total Security Incidents by Month[b]

Jan 2004 — Dec 2008

2004 2005 2006 2007 2008

Electricity Load Served and Estimated Demand[c]
MWh per Day

Demand

Load Served

A M J J A S O N D J F M A M J J A S O N D
2007   2008

Reliable Access to Potable Water[e]

0%   20%   40%   60%   80%   100%

Iraq **77.4%**

Qadissiya **76%**

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.
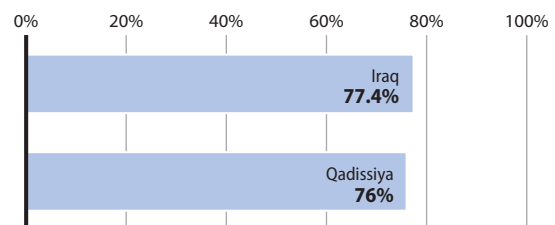
Al-Irshad Girls School, a secondary school for gifted female students. (OPA photo)

Governance and Democracy

Elections. Prominent parties participating in the Qadissiya provincial elections include the Islamic Supreme Council of Iraq and Dawa. Local police reported arresting seven people for tearing down rival party posters.[479]

Governance. Qadissiya entered into a "sister city" agreement with the Moroccan city of Marrakesh this quarter. The agreement, signed by the Qadissiya governor, announced a liaison between the cities in which Marrakesh will provide assistance to promote better health care, more potable water, economic growth, and environmental protection.[480]

Economy

A new asphalt factory was opened in Qadissiya this quarter. The factory is expected to increase production substantially. The governor of the province hosted the opening ceremony.[481]

Essential Services

Water. Red Crescent provided compact water purification units to Qadissiya province, each with a capacity of 3,000 liters. The areas set to receive the units have very limited access to potable water, and these kits will help prevent the spread of cholera. The Qadissiya Provincial Council and the Directorate of Water Resources provided support for this effort.[482]

Health Care. The governor opened a **kidney-stone treatment center** near the Diwaniya Teaching Hospital. This joint effort between the Engineering Cadres and the Diwaniya Health Directorate was part of the 2008 Provincial Development Plan. The center is the only one of its kind in Qadissiya, providing care previously available only in Baghdad.[483]

A construction firm from Dubai signed a contract with the Qadissiya Ministry of Health to construct a factory to manufacture artificial limbs, wheelchairs, and crutches. The $1 million factory will be located near the Provincial General Hospital.[484]

Transportation and Communications. This quarter, the **Al-Rabe Bridge** in the sub-district of Ghammas was completed. The bridge is expected to increase the flow of agricultural goods between Ghammas and Najaf. The main road to Afak is also nearing completion, with construction 98% complete.[485]

USAID Program Quarterly Updates in Qadissiya

Local Governance Program	The Governorates Accounting and Project Tracking Information System (GAPTIS) equipment was set up at a government center in Qadissiya in late November. Full implementation and GAPTIS training for Qadissiya province officials was conducted during the first week of December.
Iraq Community-based Conflict Mitigation	No ICCM projects were completed this quarter.
Community Action Program	The CAP helps communities to prioritize local needs and develop and implement projects that address them. By partnering with neighborhood councils and community groups, the program gives Iraqi citizens a voice in decisions affecting their communities.
Marla Ruzicka War Victims Fund	Seven Marla Ruzicka Fund projects were completed this quarter.
Quick Response Fund/Iraq Rapid Assistance Program	A women's legal services program, associated with a local NGO, will focus on providing training to newly graduated lawyers in the complicated area of personal status law, which can affect the marriage, divorce, child custody, and inheritance concerns of women in Iraq. The new lawyers will be mentored by more experienced lawyers as they work on personal status cases that have been referred to them by the local court.
Community Stabilization Program	CSP is not active in Qadissiya.
Tijara Program	The Tijara program supports one microfinance institution in the province, the Cooperative Housing Foundation (CHF). As of November 30, 2008, the CHF office in Qadissiya reported 1,252 loans, valued at $2,190,013. Since inception, 3,572 loans have been disbursed, totaling $9,047,600.
Inma Program	Representatives from USAID's agriculture program (Inma) visited the province in November to discuss possible feedlot assistance with the PRT and local government officials. The trip yielded a concrete sequence of steps, agreed to by all parties, for revitalizing an abandoned dairy.
Tatweer	More than 744 officials from Qadissiya have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	OFDA funded the procurement and storage of emergency supplies for a warehouse in Qadissiya.

Source: USAID, response to SIGIR data call, 12/31/2008.
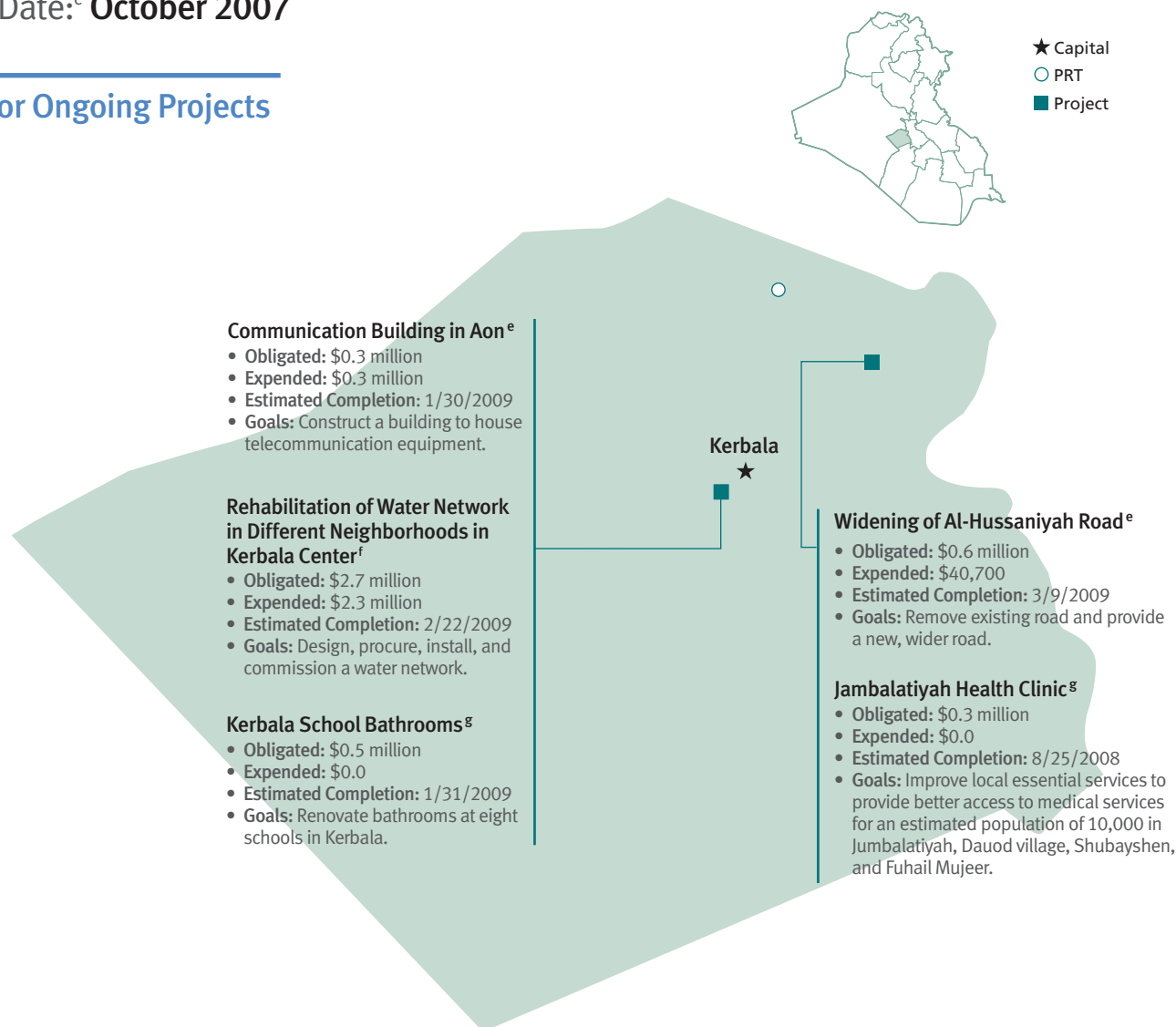
KERBALA

Population:[a] **756,000**
Religion:[b] **100% Shia**
PIC Date:[c] **October 2007**

U.S. Projects:[d] **763**
U.S. Project Costs:[d] **$166.8 million**

★ Capital
○ PRT
■ Project

Major Ongoing Projects

Communication Building in Aon[e]
- **Obligated:** $0.3 million
- **Expended:** $0.3 million
- **Estimated Completion:** 1/30/2009
- **Goals:** Construct a building to house telecommunication equipment.

Rehabilitation of Water Network in Different Neighborhoods in Kerbala Center[f]
- **Obligated:** $2.7 million
- **Expended:** $2.3 million
- **Estimated Completion:** 2/22/2009
- **Goals:** Design, procure, install, and commission a water network.

Kerbala School Bathrooms[g]
- **Obligated:** $0.5 million
- **Expended:** $0.0
- **Estimated Completion:** 1/31/2009
- **Goals:** Renovate bathrooms at eight schools in Kerbala.

Kerbala
★

Widening of Al-Hussaniyah Road[e]
- **Obligated:** $0.6 million
- **Expended:** $40,700
- **Estimated Completion:** 3/9/2009
- **Goals:** Remove existing road and provide a new, wider road.

Jambalatiyah Health Clinic[g]
- **Obligated:** $0.3 million
- **Expended:** $0.0
- **Estimated Completion:** 8/25/2008
- **Goals:** Improve local essential services to provide better access to medical services for an estimated population of 10,000 in Jumbalatiyah, Dauod village, Shubayshen, and Fuhail Mujeer.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008; www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
[e] GRD, response to SIGIR data call, 1/5/2009.
[f] GRD, response to SIGIR data call, 1/5/2009; IRMS, *URI Lookup*, 1/14/2009.
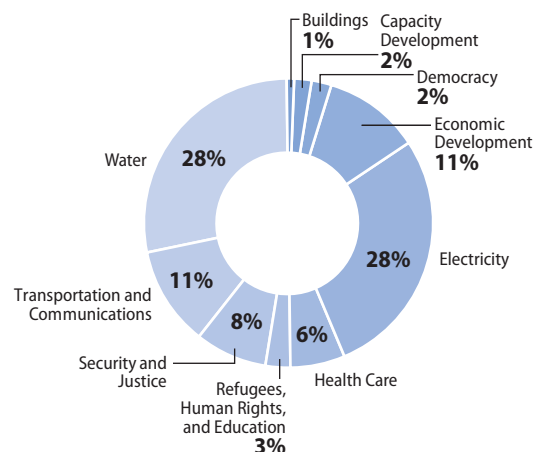[g] IRMS, *MNC-I Quarterly Report*, 1/7/2009.
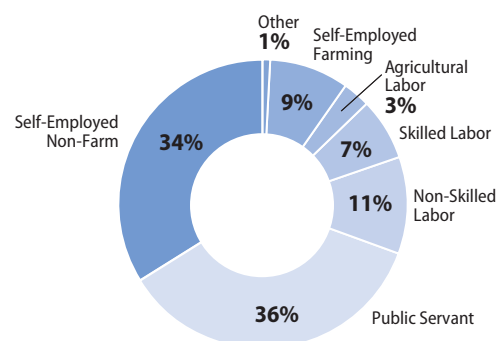
Ongoing and Completed Infrastructure Projects[a]
$ Millions

	Completed Project Count	Completed Project Cost	Ongoing Project Count	Ongoing Project Cost
Electricity	39	$46.59	6	$0.40
Water	76	$39.66	4	$6.20
Health Care	59	$10.43	7	$0.36
Transportation and Communications	37	$9.18	9	$9.43
Buildings	26	$1.08	-	-
Total	237	$106.94	26	$16.39

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $166.8 Million

Employment Activities[e]

Reliable Access to Potable Water[e]

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.

Distribution of toys and humanitarian items in Husayniya, Kerbala. (4th Brigade Combat Team photo)

Security and Justice

An estimated two million pilgrims descended on Kerbala in early January to commemorate the religious holiday of Ashura; there were no major security incidents. The non-violence of this Ashura pilgrimage stems from cooperation between local religious authorities and the Iraqi Security Forces. Ashura is an Islamic holiday marking the Battle of Kerbala, in which the members of the Khalifa Ali household were killed. Many pilgrims flay and cut themselves on their way to the twin shrines of Imam Husayn and Imam Abbas in Kerbala.[486]

Governance and Democracy

Elections. PRT leaders are ramping up election preparation activities. PRT Kerbala sponsored a UN Assistance Mission for Iraq (UNAMI) conference on voter outreach. The presenters informed participants on the role of media outlets in a free election process. Another conference is scheduled to address methods to increase voter turnout. UNAMI representatives expressed concern that voter turnout could be less than 60% because of cynicism about the Provincial Council, confusing candidate platforms, and a complicated ballot.[487]

Human Rights. An NGO that works with women's issues met with PRT Kerbala to discuss its training initiatives. PRT Kerbala agreed to assist the group, which trains women aged 18-25 in sewing and basic computer skills, as well as social issues.[488]

Rule of Law. Kerbala's governor announced that 134 Iraqi police officers have been suspended pending investigations into human rights abuses. PRT leaders report that this decision may help to bolster respect for the rule of law.[489]

Economy

Agriculture. During a meeting with the Agriculture Director General and PRT leaders, the Director General committed up to 668 hectares of land for the feedlot project in the province. Kerbala also set aside more than 4,000 hectares for future agricultural projects. The Director General agreed to attend the upcoming agriculture conference.[490] The PRT and Women's Initiative Advisors for the province co-hosted an agriculture conference on December 28, 2008, focusing on agricultural goals for the province.[491]

USAID PROGRAM QUARTERLY UPDATES IN KERBALA

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. The LGP III will begin its start-up phase January 2009.
Iraq Community-based Conflict Mitigation	The ICCM did not conduct youth programs in Kerbala this quarter.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	Three Marla Ruzicka Fund projects were completed this quarter.
Quick Response Fund/Iraq Rapid Assistance Program	The QRF funded construction of a pedestrian bridge that will allow students and to cross the road safely. The QRF was also used to support the Kerbala Governorate Election Office.
Community Stabilization Program	The CSP is not active in Kerbala.
Tijara Program	The Tijara program supports one microfinance institution in the province, the Cooperative Housing Foundation (CHF). The CHF branch office in Kerbala has disbursed 3,355 loans, valued at $4,731,150 as of November 30, 2008. Since inception, 11,940 loans have been disbursed, totaling $25,383,829. As of November, the ICBG had guaranteed one loan disbursed by a member bank in Kerbala province, valued at $15,500.
Inma Program	Inma is not active in Kerbala.
Tatweer	More than 716 officials from the province have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	The Office of U.S. Foreign Disaster Assistance (OFDA) provides support and assistance to IDPs in Kerbala through two implementing partners.

Source: USAID, response to SIGIR data call, 12/31/2008.

NAJAF

Population:[a] **946,000**
Religion:[b] **100% Shia**
PIC Date:[c] **December 2006**

U.S. Projects:[d] **1,157**
U.S. Project Costs:[d] **$270.6 million**

★ Capital
○ PRT
✈ Airport
⚡ Power Plant
■ Project

Major Ongoing Projects

Buildings at Kufa University[e]
- **Obligated:** $2.9 million
- **Expended:** $2.0 million
- **Estimated Completion:** 1/28/2009
- **Goals:** Complete buildings at the Kufa University, which is the main source for higher education in Najaf Province.

Electrical Engineering College Building Project, Kufa University[f]
- **Obligated:** $3.4 million
- **Expended:** $0.0
- **Estimated Completion:** 11/5/2009
- **Goals:** Construct a building to house the Electrical Engineering College at Kufa University to complete a project stopped approximately 10 years ago.

Meshkab Water Supply Project[e]
- **Obligated:** $23.1 million
- **Expended:** $2.3 million
- **Estimated Completion:** 4/7/2009
- **Goals:** Provide a 48,000 m³/day water supply to serve 110,000 people and employ a staff of nearly 60 people.

New Ghammas 132-kV Substation[e]
- **Obligated:** $14.7 million
- **Expended:** $13.7 million
- **Estimated Completion:** 9/30/2009
- **Goals:** Increase capacity to provide 189-MVA distribution in the area and create many jobs for the region.

Najaf ★

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
[e] GRD, response to SIGIR data call, 1/5/2009.
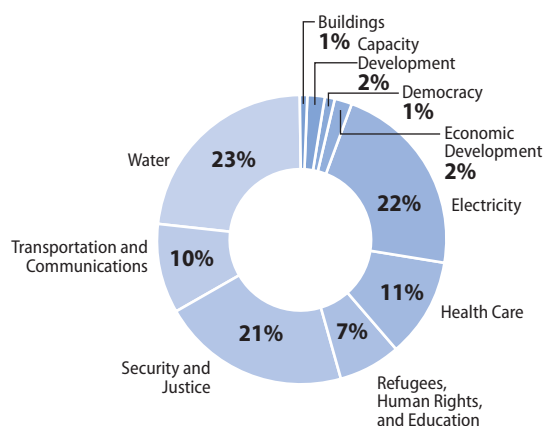[f] IRMS, *URI Lookup*, 1/14/2009.

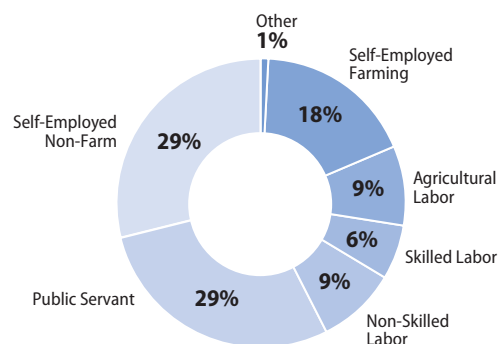## Ongoing and Completed Infrastructure Projects[a]
$ Millions

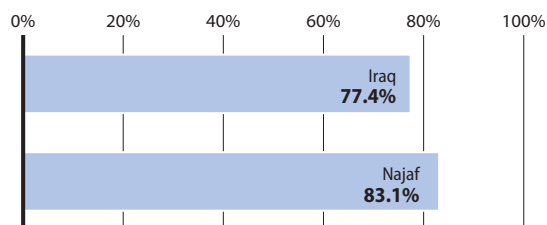|	Completed Project Count	Completed Project Cost	Ongoing Project Count	Ongoing Project Cost
Electricity	21	$44.30	1	$14.70
Water	101	$35.93	13	$24.87
Health Care	53	$28.45	1	$0.27
Transportation and Communications	72	$25.00	2	$2.84
Buildings	42	$2.41	1	$0.63
Total	289	$136.09	18	$43.31

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $270.6 Million

Employment Activities[e]

Reliable Access to Potable Water[e]

Note: Numbers affected by rounding.

Pilgrams at the Imam Ali Mosque during Ashura. (GOI photo)

Governance and Democracy

PRT leaders report banners, pamphlets, and pictures are among the visible signs of local campaigning.[492] Funding from the USAID Civil Society Conflict Mitigation program will be used by 10 local organizations to conduct voter education programs in Najaf.[493]

Economy

Economic Development. PRT leaders anticipate providing assistance in economic development from experts in post-conflict economic reconstruction, including entrepreneurship and small-business development. A nine-member team of UNAMI experts joined the PRT in this initative, with a three-member entrepreneur team expected to follow.[494]

Agriculture. Efforts to strengthen Najaf's agriculture continued with U.S. advisors working with a senior agriculture advisor to develop plans to increase the capacity of the province's agriculture sector. These efforts will focus on extension assistance, youth development, plant and animal research, and veterinary services.[495] In an effort to develop an **Advisory Council for Agriculture Advancement** in Najaf, the agricultural advisor met with 16 provincial professionals in the field.[496]

The PRT agriculture team also met with an Iraqi advisory board to discuss the state of agriculture in Najaf province. GOI cuts to the 2009 budget were discussed, and the group evaluated the sustainability of local fish, beef, and vegetable markets, and programs to improve sanitation conditions in marketplaces throughout Najaf.[497]

Essential Services

Transportation and Communications. The **Najaf International Airport** remains operational despite a payment dispute and threat of strike. The employee group took issue with the local aviation authority, threatening to stop passenger and baggage screening at the airport.[498]

Najaf imposed a vehicle curfew on January 4, 2009, in advance of the pilgrimage month of Muharam leading up to Ashura. The Iraqi Police Chief has estimated that between 10 million and 12 million pilgrims arrived in Najaf and Kerbala starting in January. The ISF is on high alert during the pilgrimage season.[499]

USAID Program Quarterly Updates in Najaf

Local Governance Program	The second phase of the Local Governance Program (LGP II) conducted its closeout process. LGP III will begin in January 2009.
Iraq Community-based Conflict Mitigation	The youth program provides maintenance training skills through a training course designed to provide training to 150 young men.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	This quarter, 12 Marla Ruzicka Fund projects were completed.
Quick Response Fund/Iraq Rapid Assistance Program	The QRF funded the Najafi Association of Women in Business, which helps women improve their skills and improves opportunities for them in the workplace.
Community Stabilization Program	The CSP is not active in Najaf.
Tijara Program	The Tijara program supports one microfinance institution in the province, the Cooperative Housing Foundation (CHF). The CHF branch office in Najaf has disbursed 2,276 loans, valued at $3,843,607 as of November 30, 2008. Since inception, 8,757 loans have been disbursed, totaling $20,538,522.
Inma Program	Inma is not active in Najaf.
Tatweer	More than 925 officials from the province have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	OFDA is funding the ongoing extension of a water pipe network and the renovation of a water pump station in the Al-Manthera district.

Source: USAID, response to SIGIR data call, 12/31/2008.
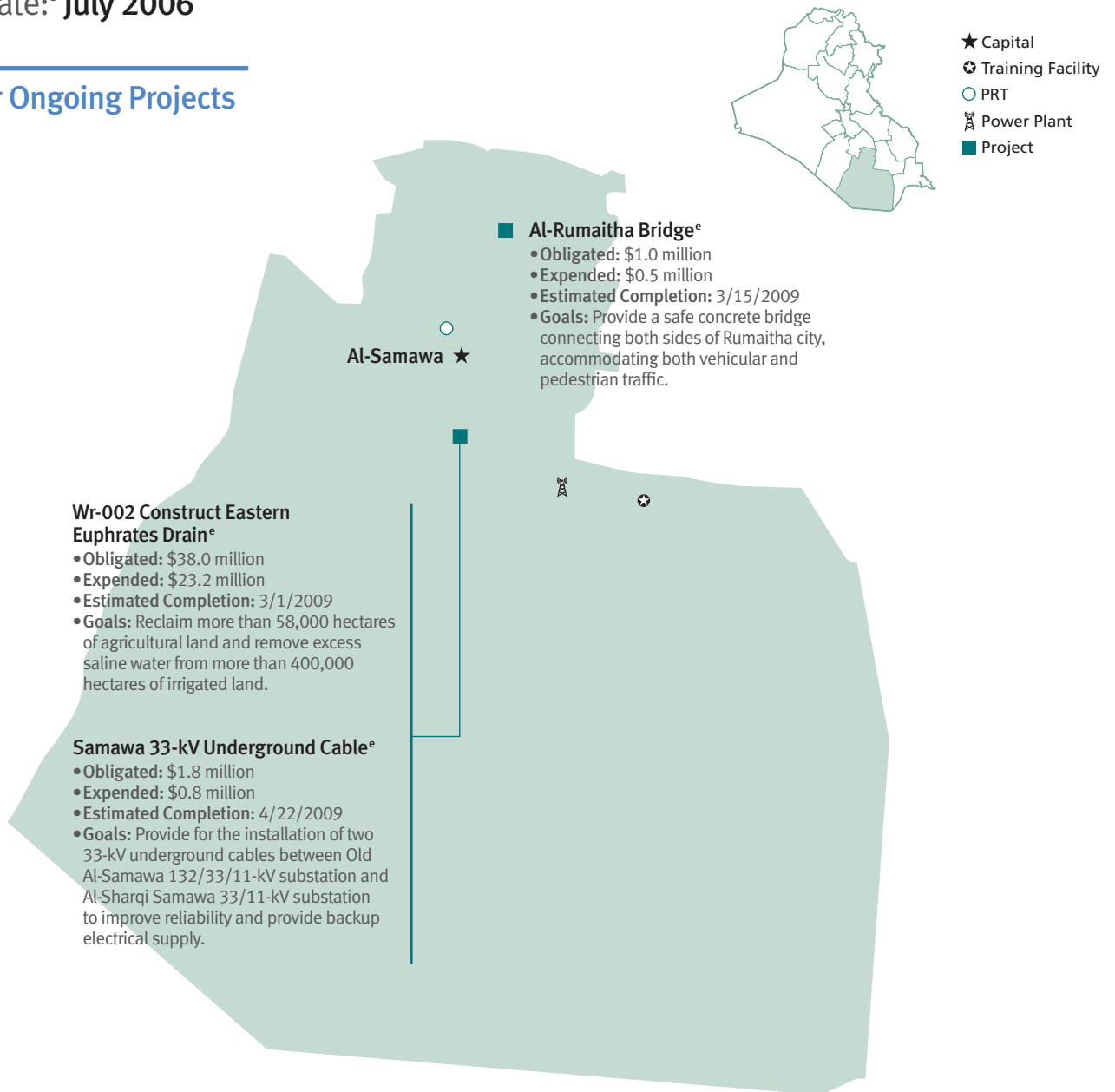
MUTHANNA

Population:[a] **536,000**
Religion:[b] **100% Shia**
PIC Date:[c] **July 2006**

U.S. Projects:[d] **734**
U.S. Project Costs:[d] **$298.6 million**

★ Capital
✪ Training Facility
○ PRT
⚡ Power Plant
■ Project

Major Ongoing Projects

Al-Samawa ★

■ **Al-Rumaitha Bridge**[e]
- **Obligated:** $1.0 million
- **Expended:** $0.5 million
- **Estimated Completion:** 3/15/2009
- **Goals:** Provide a safe concrete bridge connecting both sides of Rumaitha city, accommodating both vehicular and pedestrian traffic.

Wr-002 Construct Eastern Euphrates Drain[e]
- **Obligated:** $38.0 million
- **Expended:** $23.2 million
- **Estimated Completion:** 3/1/2009
- **Goals:** Reclaim more than 58,000 hectares of agricultural land and remove excess saline water from more than 400,000 hectares of irrigated land.

Samawa 33-kV Underground Cable[e]
- **Obligated:** $1.8 million
- **Expended:** $0.8 million
- **Estimated Completion:** 4/22/2009
- **Goals:** Provide for the installation of two 33-kV underground cables between Old Al-Samawa 132/33/11-kV substation and Al-Sharqi Samawa 33/11-kV substation to improve reliability and provide backup electrical supply.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
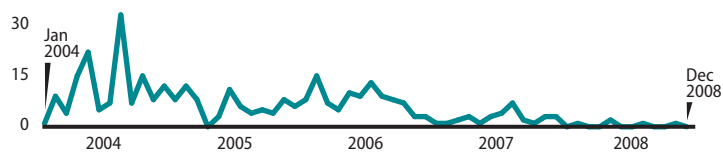[e] GRD, response to SIGIR data call, 1/5/2009.

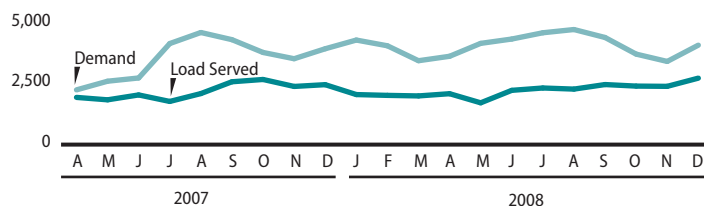## Ongoing and Completed Infrastructure Projects [a]
$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	3	$0.47	-	-
Electricity	55	$19.10	1	$2.58
Water	92	$151.92	2	$39.33
Health Care	38	$5.03	-	-
Transportation and Communications	48	$16.85	3	$4.01
Buildings	26	$1.22	-	-
Total	262	$194.59	6	$45.92

Total Security Incidents by Month [b]

Electricity Load Served and Estimated Demand [c]
MWh per Day

Project Cost by Sector [d]
% of $298.6 Million

Employment Activities [e]

Reliable Access to Potable Water [e]

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
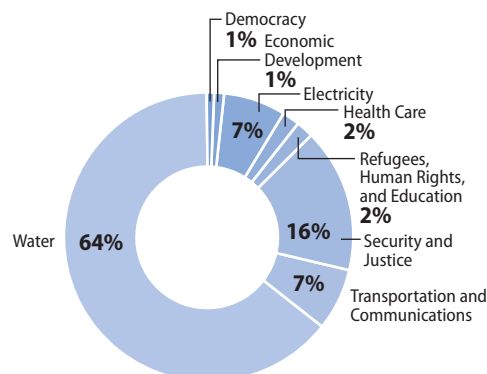[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Building, Capacity Development, and Oil and Gas sectors accounted for less than one-half percent of the total cost.
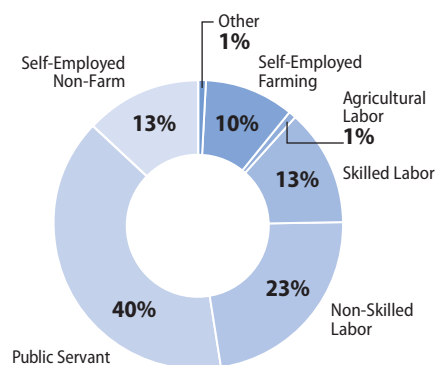[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.
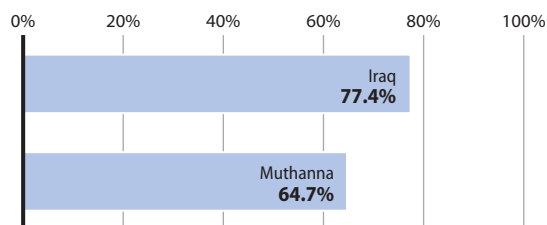
Soldiers put new desks in place at the Al-Fadhliya secondary school.
(3rd Sustainment Command photo)

Governance and Democracy

Elections. PRT Muthanna began a series of voter education programs in conjunction with 9 NGOs, reporting that the program, which aimed to draw an average of 40 people per event, exceeded its goals.[500] PRT staff met with Coalition forces to discuss the security situation as elections approach and was advised that Muthanna is confident that the outcome of the election will not cause violence.[501]

Rule of Law. PRT Muthanna is pursuing potential funding for modernizing the province's prison. In December, PRT ROL advisors visited the **Muthanna Prison** to assess its condition, finding the facility in great need of upgrade. This 70-year-old building currently operates well above its capacity.[502]

Education. PRT Muthanna personnel visited the newly opened **Medical College at Muthanna University** this quarter, delivering 354 student textbooks purchased by the PRT. The team toured the new facility and discussed the needs of the university with staff. PRT Muthanna previously had difficulty establishing rapport with Muthanna University staff, in part because the Chancellor of the school had concerns about security. This visit will strengthen the PRT's relationship with the school.[503]

Essential Services

A ribbon-cutting ceremony was held for a 60-MW power plant funded by the Japanese government.[504]

USAID PROGRAM QUARTERLY UPDATES IN MUTHANNA

Local Governance Program	Nearly 170 officials in the province received training at the Mittica Training Center in subjects such as public budgeting and auditing, strategic planning, economic development, investment planning, intergovernmental relationships, and time management. A meeting on the Governorates Accounting and Project Tracking Information System (GAPTIS) was held in Talil to discuss the implementation strategy with PRT team leaders from Muthanna in early November. In mid-November, after configuration of computers at a training center, the GAPTIS equipment was set up at the Muthanna Government Center. The alignment of digitized maps to satellite imagery for the Geographic Information System was completed this quarter.
Iraq Community-based Conflict Mitigation	The ICCM Youth Component aims to link development assistance for youth to the reduction of tensions that could develop into violent conflict, and this quarter, a youth leader course was established.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	This quarter, 16 Marla Ruzicka Fund projects were completed in Muthanna.
Quick Response Fund/Iraq Rapid Assistance Program	QRF/IRAP funding is supporting the Muthanna Governorate Election Office. The QRF also funds the Al-Rafidain Women's Organization to provide voter education training to nine civil-society organizations in the province.
Community Stabilization Program	The CSP is not active in Muthanna.
Tijara Program	The Tijara program supports one microfinance institution the province, the Cooperative Housing Foundation (CHF). The CHF branch office in Muthanna has disbursed 1,135 loans, valued at $1,642,661 as of November 30, 2008. Since inception, 4,018 loans have been disbursed, valued at $8,383,169. Additionally, the Tijara program continues providing technical, training, and capacity-building assistance to the Iraqi-owned Nassriya Chamber of Commerce, which serves Missan and Muthanna provinces as well as Thi-Qar.
Inma Program	Inma is not active in Muthanna.
Tatweer	More than 822 officials from Muthanna have been trained to date in public administration and management areas.
Office of Foreign Disaster Assistance	OFDA provides support and assistance to IDPs, through one implementing partner, in the following sectors: health; logistics and relief commodities; protection; shelter and settlements; water, sanitation and hygiene; and economy and market systems.

Source: USAID, response to SIGIR data call, 12/31/2008.

THI-QAR

Population:[a] **1.4 million**
Religion:[b] **100% Shia**
PIC Date:[c] **September 2006**

U.S. Projects:[d] **1,242**
U.S. Project Costs:[d] **$874 million**

★ Capital
○ PRT
✈ Airport
■ Project

Major Ongoing Projects

Nassriya Drainage Pump Station[e]
- **Obligated:** $20 million
- **Expended:** $13.5 million
- **Estimated Completion:** 12/31/2008
- **Goals:** Improve drainage of irrigated land as far north as Baghdad, conveying 200 m^3/sec of agricultural drainage from the Main Outfall Drain (MOD) under the Euphrates River for discharge to the Gulf.

Nassriya Prison[f]
- **Obligated:** $6.4 million
- **Expended:** $3.9 million
- **Estimated Completion:** 4/3/2009
- **Goals:** Incorporate recreation and visitors buildings to deliver a modern, humane facility and alleviate a congested Iraqi prison system.

Mittica Training Center Expansion[f]
- **Obligated:** $193,000
- **Expended:** $0.0
- **Estimated Completion:** 5/15/2009
- **Goals:** Provide for a greater range and number of capacity-building activities with sufficient security to permit international expert participation and remain accessible to the local population.
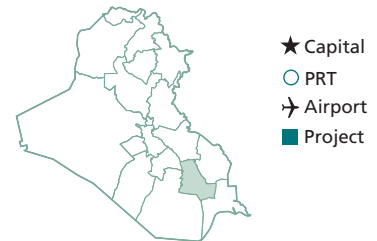
Nassriya Small Business Development Center[f]
- **Obligated:** $0.2 million
- **Expended:** $0.2 million
- **Estimated Completion:** 3/31/2009
- **Goals:** Prepare an NGO partner to provide business development training and services to the southern region business community.

Shatra 132-kV Substation[e]
- **Obligated:** $9.3 million
- **Expended:** $8.7 million
- **Estimated Completion:** 2/28/2009
- **Goals:** Install 33-kV switchgear to handle 189 MVA and provide 24-hour power to the Nassriya Water Treatment Plant.

Shaiba Location Command[e]
- **Obligated:** $37.9 million
- **Expended:** $17.5 million
- **Estimated Completion:** 4/8/2009
- **Goals:** Increase effectiveness of Iraqi Army.

Nassriya ★

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
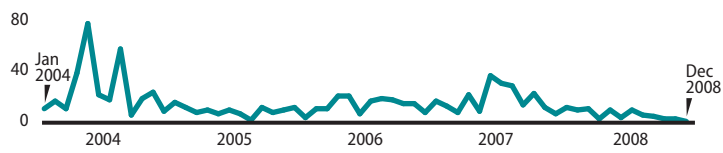[e] GRD, response to SIGIR data call, 1/5/2009.
[f] OPA, response to SIGIR data call, 1/8/2009.

Project Cost by Sector[d]
% of $874 Million

Economic Development 1%
Electricity 13%
Health Care 2%
Refugees, Human Rights, and Education 2%
Security and Justice 32%
Transportation and Communications 2%
Water 47%

Ongoing and Completed Infrastructure Projects[a]
$ Millions

	Completed Project Count	Completed Project Cost	Ongoing Project Count	Ongoing Project Cost
Oil and Gas	3	$0.43	-	-
Electricity	61	$98.61	3	$11.75
Water	174	$384.08	20	$28.80
Health Care	81	$17.13	13	$0.49
Transportation and Communications	111	$19.99	5	$0.68
Buildings	91	$3.43	-	-
Total	521	$523.67	41	$41.72

Employment Activities[e]

Other 2%
Self-Employed Farming 7%
Skilled Labor 8%
Non-Skilled Labor 11%
Public Servant 43%
Self-Employed Non-Farm 29%

Total Security Incidents by Month[b]

Jan 2004 ... Dec 2008

Electricity Load Served and Estimated Demand[c]
MWh per Day

Demand
Load Served
2007 2008

Reliable Access to Potable Water[e]

Iraq 77.4%
Thi-Qar 93.8%

Note: Numbers affected by rounding.

A new cellblock erected at Nassriya prison. (OPA photo)

Security and Justice

In contrast to the violence of last year in Nassriya, the Ashura brought no major security incidents. The Iraqi police were on high alert during the pilgrimage.[505]

Governance and Democracy

Elections. Thi-Qar province received six voter education grants from IRAP/USAID funds. The grants were given to local NGOs, which used the funds to conduct voter training sessions. Grantees provided 20 sessions each, with up to 50 people per session. The IHEC coordinated with the training organizations to ensure that all voter materials and instructions were accurate.[506]

Rule of Law. ROL advisors in Thi-Qar recently brought together local lawyers, civilian law professors, and Iraqi Army legal advisors to discuss the new Security Agreement. The PRT advisors coordinated a beginning English course for ISF officers.[507]

The PRT has plans to create an Internet-based tool to assist local Iraqis who cannot afford a lawyer to obtain answers to common legal issues. This **Citizen's Advice Bureau** would use local lawyers to improve legal services.[508]

Governance. The Iraqi Prime Minister visited the Thi-Qar province in December 2008. PRT leaders report that tension between ISCI and Dawa was evident during his trip; however, it resulted in no serious incidents.[509]

Essential Services

The **Nassriya Scholastic Activities** building is in need of repair, and PRT Thi-Qar is exploring the possibility of using I-CERP funds for this project. PRT leaders are enthusiastic about using this facility to support educational projects in the province.[510]

USAID Program Quarterly Updates in Thi-Qar

Local Governance Program	A one-day workshop was conducted for the women's committee of the Provincial Council as well as women civil society organization members. Another workshop was conducted on the role of banks in developing small-, medium-, and large-scale businesses. A meeting on the Governorates Accounting and Project Tracking Information System (GAPTIS) was held in Talil to discuss the implementation strategy with PRT team leaders from Thi-Qar in late October. In mid-November, after configuring computers at a training center, the GAPTIS equipment was set up at the Thi-Qar Government Center.
Iraq Community-based Conflict Mitigation	Many walls surrounding the cities have been filled with hate graffiti that has incited sectarian tensions. A large number of Thi-Qar Technical University students from different religious backgrounds (Christian, Sabean, and Muslim) have come together in a project to repaint these walls with messages of peace.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	This quarter, 24 Marla Ruzicka Fund projects were completed in Thi-Qar.
Quick Response Fund/Iraq Rapid Assistance Program	The Thi-Qar Iraqi Businessmen's Union office facility in Nassriya has received IRAP-funded office furniture, computers, and other office equipment. Installation of the received goods is in progress following the completion of the building renovation earlier this month.
Community Stabilization Program	The CSP is not active in Thi-Qar.
Tijara Program	The Tijara program supports one microfinance institution in Thi-Qar province, the Cooperative Housing Foundation (CHF). The CHF branch office in the province has disbursed 1,021 loans, valued at $1,509,848 as of November 30, 2008. Since inception, 3,026 loans have been disbursed, totaling $6,525,300.
Inma Program	Inma is not active in Thi-Qar.
Tatweer	More than 900 officials from Thi-Qar have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	OFDA is not active in Thi-Qar.

Source: USAID, response to SIGIR data call, 12/31/2008.

MISSAN

Population:[a] **743,000**
Religion:[b] **100% Shia**
PIC Date:[c] **April 2007**

U.S. Projects:[d] **763**
U.S. Project Costs:[d] **$277.9 million**

★ Capital
○ PRT
■ Project

Major Ongoing Projects

Missan NGO Capacity Building Project[f]
- **Obligated:** $0.2 million
- **Expended:** $0.0
- **Estimated Completion:** 11/1/2009
- **Goals:** Increase the institutional capacity and viability of 10 of the province's NGOs, thereby improving their capacity to implement projects effectively and represent the interests of their citizens.

Missan Surgical Hospital(1)[e]
- **Obligated:** $6.8 million
- **Expended:** $1.4 million
- **Estimated Completion:** 5/19/2009
- **Goals:** Provide residence for staff doctors and a 100-bed surgical and emergency facility to reduce overcrowding and increase the number of residents served by the two existing hospitals in Missan province.

Missan Surgical Hospital(2)[f]
- **Obligated:** $12.7 million
- **Expended:** $2.7 million
- **Estimated Completion:** 8/1/2009
- **Goals:** Construct an 80-bed surgical hospital that will meet a critical need for Missan, which currently has only 2 hospitals to serve a population of nearly 900,000 people.

Amara

Al-Maimouna Location Command[e]
- **Obligated:** $33.6 million
- **Expended:** $10.6 million
- **Estimated Completion:** 5/6/2009
- **Goals:** Increase effectiveness of Iraqi Army.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
[e] GRD, response to SIGIR data call, 1/5/2009.
[f] OPA, response to SIGIR data call, 1/8/2009.

Project Cost by Sector[d]
% of $277.9 Million

- Capacity Development **1%**
- Democracy **2%**
- Water **8%**
- Transportation and Communications **6%**
- Electricity **27%**
- Health Care **10%**
- Refugees, Human Rights, and Education **4%**
- Security and Justice **41%**

Ongoing and Completed Infrastructure Projects[a]
$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	3	$0.80	-	-
Electricity	27	$75.81	1	$0.50
Water	98	$20.11	3	$1.34
Health Care	26	$4.79	3	$21.70
Transportation and Communications	23	$7.74	4	$10.32
Buildings	10	$1.26	-	-
Total	**187**	**$110.51**	**11**	**$33.86**

Employment[e]

- Self-Employed Farming **12%**
- Self-Employed Non-Farm **25%**
- Agricultural Labor **13%**
- Skilled Labor **5%**
- Non-Skilled Labor **11%**
- Public Servant **34%**

Total Security Incidents by Month[b]

Jan 2004 — Dec 2008
2004 2005 2006 2007 2008

Electricity Load Served and Estimated Demand[c]
MWh per Day

Demand
Load Served
A M J J A S O N D J F M A M J J A S O N D
2007 2008

Reliable Access to Potable Water[e]

0% 20% 40% 60% 80% 100%
Iraq **77.4%**
Missan **90.9%**
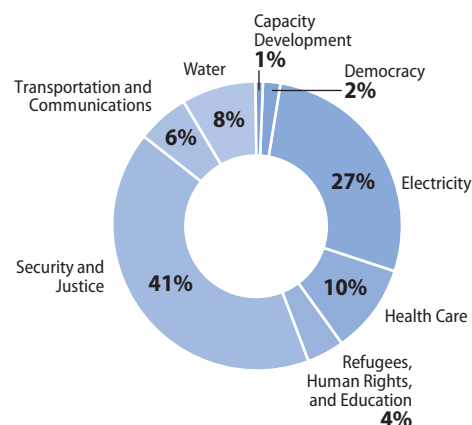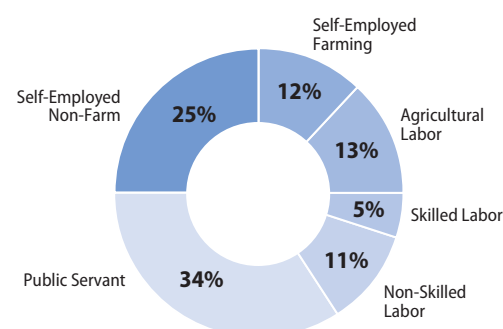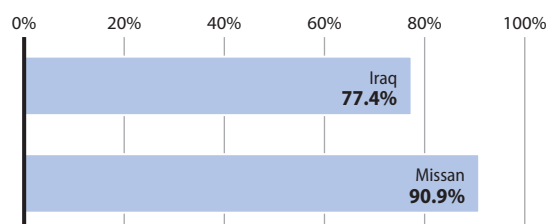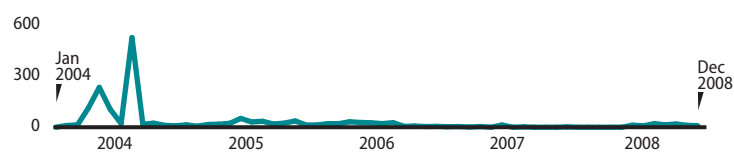
Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Building, Economic Development, and Oil and Gas sectors accounted for less than one-half percent of the total cost.
[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.

Missan Surgical Hospital. (OPA photo)

Governance and Democracy

Capacity Development. PST Missan is preparing to begin a capacity-building project through the **Iraq Foundation** in February 2009. QRF funds have been obligated for the effort, which aims to promote the growth of civil society NGOs in the province.[511]

PST Missan expressed concerns about the Implementation Plan for Community Action Program III. USAID is working to address these issues, including the need for better coordination of mechanisms and choosing optimal locations for the program.[512]

In January 2009, the PST received five new specialists with expertise in agriculture, economics, municipalities, public diplomacy, and management. The PST team will become fully functional once the budget and rule-of-law advisors become operational.[513]

Urban Development. A QRF Committee approved proposals submitted by USAID to establish Geographic Information System Centers in Missan and Thi-Qar provinces. These funds will be used to provide training and equipment to the local staff of the Director General of Planning and Municipalities.[514]

Education. Three Iraqi English language instructors from **Maysan University** received U.S. Embassy grants to attend a conference in the United States focusing on language education.[515]

USAID Program Quarterly Updates in Missan

Local Governance Program	The second phase of the LGP II conducted its closeout process. There are no plans at this time to continue LGP.
Iraq Community-based Conflict Mitigation	No ICCM youth programs were conducted in Missan this quarter.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	Two Marla Ruzicka Fund projects were completed this quarter.
Quick Response Fund/Iraq Rapid Assistance Program	The QRF/IRAP supported the province's election office with an Electoral Awareness Program.
Community Stabilization Program	CSP is not active in Missan.
Tijara Program	The Tijara-supported microfinance institution branch office in Missan has disbursed 1,318 loans, valued at $762,853 as of November 30, 2008. Since inception, 2,868 loans have been disbursed, valued at $3,122,750.
Inma Program	Inma is not active in Missan.
Tatweer	More than 607 officials from Missan have been trained in public administration and management. Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	OFDA is not active in Missan.

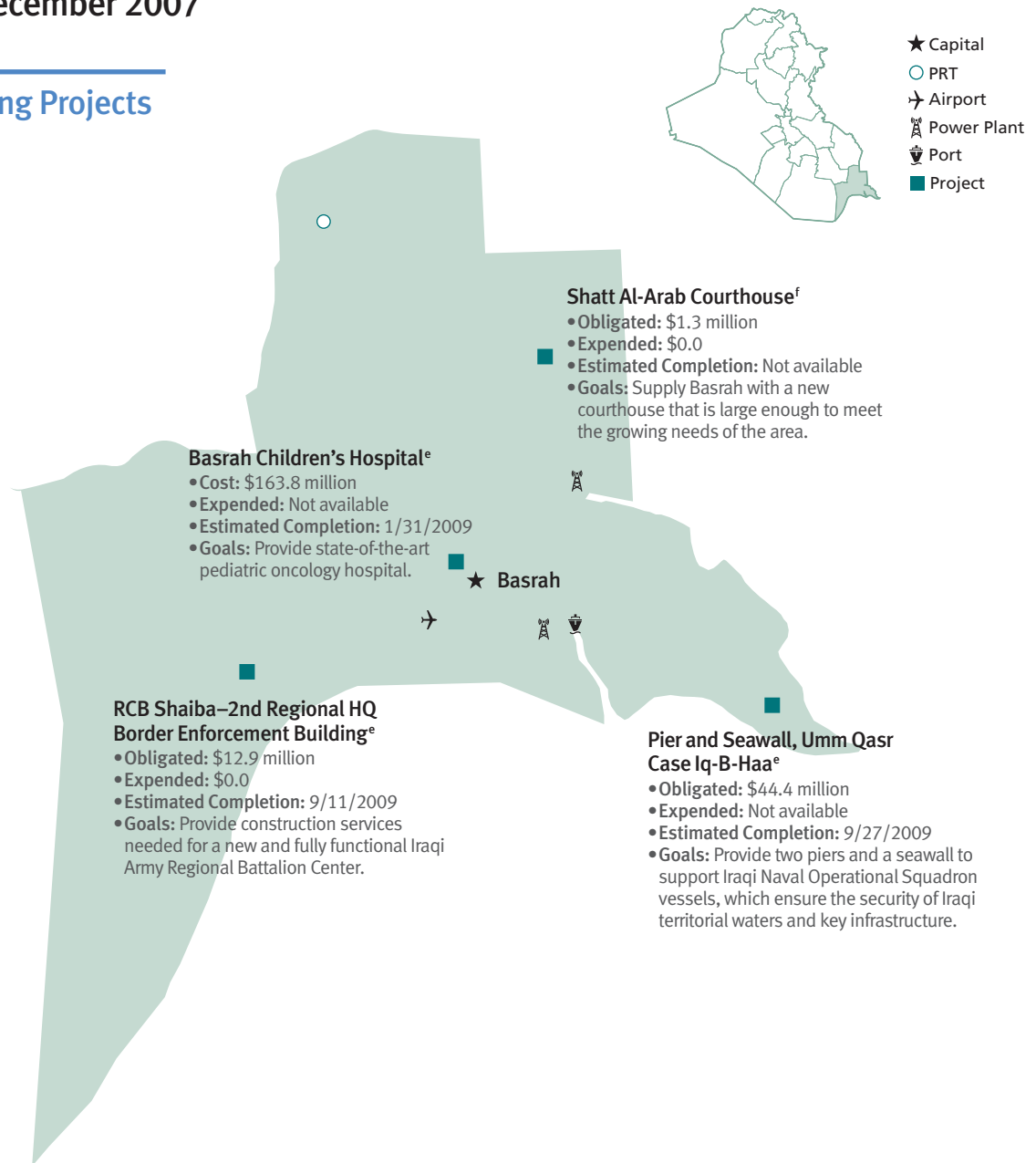**Source:** USAID, response to SIGIR data call, 12/31/2008.

BASRAH

Population:[a] **1.8 million**
Religion:[b] **100% Shia**
PIC Date:[c] **December 2007**

U.S. Projects:[d] **3,340**
U.S. Project Costs:[d] **$2 billion**

Major Ongoing Projects

Legend:
★ Capital
○ PRT
✈ Airport
♜ Power Plant
⚓ Port
◼ Project

Shatt Al-Arab Courthouse[f]
- **Obligated:** $1.3 million
- **Expended:** $0.0
- **Estimated Completion:** Not available
- **Goals:** Supply Basrah with a new courthouse that is large enough to meet the growing needs of the area.

Basrah Children's Hospital[e]
- **Cost:** $163.8 million
- **Expended:** Not available
- **Estimated Completion:** 1/31/2009
- **Goals:** Provide state-of-the-art pediatric oncology hospital.

★ **Basrah**

RCB Shaiba–2nd Regional HQ Border Enforcement Building[e]
- **Obligated:** $12.9 million
- **Expended:** $0.0
- **Estimated Completion:** 9/11/2009
- **Goals:** Provide construction services needed for a new and fully functional Iraqi Army Regional Battalion Center.

Pier and Seawall, Umm Qasr Case Iq-B-Haa[e]
- **Obligated:** $44.4 million
- **Expended:** Not available
- **Estimated Completion:** 9/27/2009
- **Goals:** Provide two piers and a seawall to support Iraqi Naval Operational Squadron vessels, which ensure the security of Iraqi territorial waters and key infrastructure.

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
[a] UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
[b] IOM, "Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq-net, accessed 1/15/2009.
[c] U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.
[d] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Figures include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.
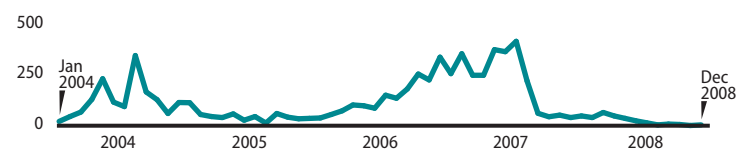[e] GRD, response to SIGIR data call, 1/5/2009.
[f] OPA, response to SIGIR data call, 1/8/2009.
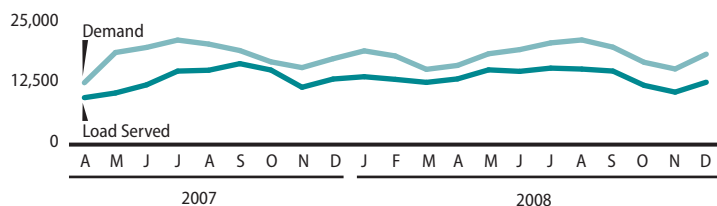
Ongoing and Completed Infrastructure Projects[a]
$ Millions

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	140	$529.04	2	$17.15
Electricity	471	$523.65	4	$19.75
Water	288	$244.45	7	$31.57
Health Care	162	$61.97	20	$44.34
Transportation and Communications	212	$148.04	6	$19.73
Buildings	268	$12.08	1	$0.44
Total	**1,541**	**$1,519.23**	**40**	**$132.98**

Total Security Incidents by Month[b]

Electricity Load Served and Estimated Demand[c]
MWh per Day

Project Cost by Sector[d]
% of $2 Billion

Employment Activities[e]

Reliable Access to Potable Water[e]

Note: Numbers affected by rounding.

Sources:
[a] IRMS, *Global Benchmark*, 1/6/2009. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available.
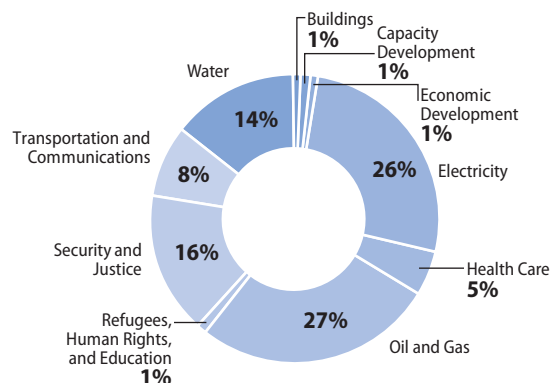[b] OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.
[c] ITAO, *IRMO Electric Daily Units Performance Report*, 4/1/2007-12/31/2008.
[d] IRMS, *Global Benchmark*, 1/6/2009. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. According to these sources, the Democracy sector accounted for less than one-half percent of the total cost.
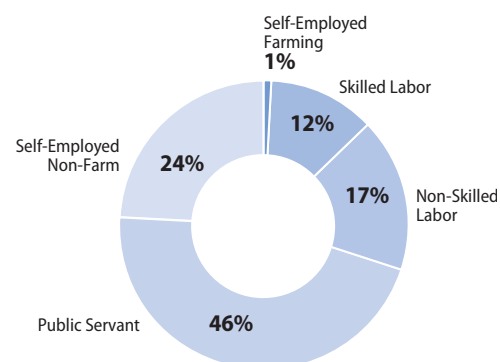[e] UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008. The data is based on a survey that was conducted in November-December 2007.
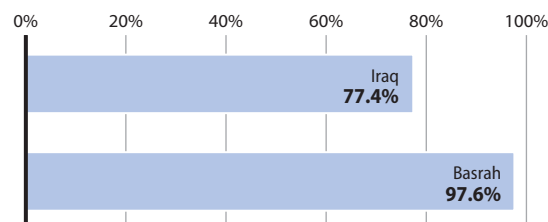
Shatt Al-Arab Courthouse in Basrah. (OPA photo)

Governance and Democracy

Members of the PRT and implementing partners are working to prepare for staff turnover that is expected to follow the provincial elections in January 2009. They are developing a strategy to retain institutional memory and continue to advance reform.[516]

Economy

Economic Development. The **Community Stabilization Program** remains active in Basrah, with 36 business development grants approved this quarter totaling nearly $317,393. The grants were awarded to assist farmers, dressmakers, caterers, and blacksmith and carpentry workshops.[517]

Employment creation and income generation were identified as the primary provincial problems, followed by education, health, skills development/vocational training, and promotion of youth and women in society. Electricity and water remain at the top of the list of infrastructure problems.[518]

Essential Services

Water. A project to provide new sewerage connections to 192,000 people in the Al-Qiblah district was approved by the Iraq Transition Assistance Office (ITAO). The $10 million project is part of a larger initiative to ensure that sustainable improvements to sewerage are provided for 600,000 people in the province by 2010. A portion of this project is related to a larger program, the **Basrah Public Works Initiative**.[519] Plans to build two schools and one health clinic were also approved by ITAO.[520]

Transportation and Communications. On January 1, 2009, the **Basrah International Airport** was turned over to Iraqi control. PRT Basrah reports that, prior to 2003, the airport was not available to commercial flights. The airport now handles commercial flights every day, including flights to Saudi Arabia; more than 5,000 local residents flew to Haji, Saudi Arabia, in December 2008 alone.[521]

USAID Program Quarterly Updates in Basrah

Local Governance Program	The LGP provides technical assistance, training, and equipment to improve the delivery of essential services. More than 150 people were trained in a variety of courses including: public budgeting and auditing; MS Word; introduction to GIS (2 Parts); transparency and accountability; and monitoring methods.
Community Action Program	The second phase of the Community Action Program (CAP II) conducted the closeout process. Under a new cooperative agreement, the CAP III has begun.
Marla Ruzicka War Victims Fund	Five Marla Ruzicka Fund projects were completed this quarter.
Quick Response Fund/Iraq Rapid Assistance Program	The QRF/IRAP funds grants, which are provided through Provincial Reconstruction Teams (PRTs) and embedded PRTs to support activities in their areas of operation.
Community Stabilization Program	Nearly 2,300 short-term and nearly 800 long-term jobs were created this quarter. More than 5,315 youths have participated in 32 CSP-sponsored youth activities, graduating 420 trainees and placing 100 in apprenticeship programs.
Tijara Program	The Tijara program supports one microfinance institution the province, the Cooperative Housing Foundation (CHF). The CHF branch office has disbursed 3,607 loans, valued at $5,772,323 as of November 30, 2008. Since inception, 12,026 loans have been disbursed, valued at $29,550,601.
Inma Program	Inma is not active in Basrah.
Tatweer	Eight courses were introduced at various competency levels on subjects such as leadership and communication, project management, human resource management, fiscal management, procurement, IT, and anticorruption.
Office of Foreign Disaster Assistance	OFDA funded the procurement and distribution of back-to-school kits and other non-food items to 2,000 school children in Basrah.

Source: USAID, response to SIGIR data call, 12/31/2008.

Security and Justice

Security. Basrah's observance of Ashura took place with no major security incidents (in contrast to last year, when 18 people in Basrah were killed). Iraqi Army support contributed to the improved security outcome.[522]

For the first time in many years, a 15-km road race was held in two districts north of Basrah. The **Run for Peace** was administered by the Community Stabilization Program, with 1,440 runners participating.[523]

Justice. The **Basrah Regional Courthouse** received GOI-funded furniture and office equipment this quarter. The courthouse is expected to open soon. PRT Basrah is working with INL at the U.S. Embassy to arrange a visit from consultants who can assist in creating a security plan for the new courthouse prior to opening. Construction on the **Al-Medinah Courthouse**, also in Basrah, has been delayed. Soil test results revealed that it was not safe to build a three-story building at the chosen location.[524]

A judge with the Higher Judicial Council has agreed to read a proposal for a PRT-facilitated workshop on evidence. The workshop would train Iraqi judges in forensic evidence review and proper investigative procedures.[525]

SIGIR
OVERSIGHT

SIGIR AUDITS
SIGIR INSPECTIONS
SIGIR INVESTIGATIONS
SIGIR HOTLINE
LEGISLATIVE UPDATE

SECTION 4

4

SIGIR AUDITS

From November 1, 2008, to January 30, 2009, SIGIR completed six new audit products. Since March 2004, SIGIR has issued 135 audit reports. This quarter, SIGIR audits addressed a diverse range of issues:

- two reports on contracting issues: one examining U.S. reconstruction of the Iraq oil infrastructure, and another examining management of a U.S. contract for private security services in Iraq
- a report on U.S. efforts to help restart state-owned enterprises (SOEs) in Iraq
- two reports related to the Provincial Reconstruction Team (PRT) program: one addressing management of the Quick Response Fund to support the teams, and another addressing the use of metrics to assess the performance of the PRTs and also raising concerns about the future of PRTs

- a report on the status of U.S. Iraqi Security Forces funding

For a list of these audit products, see Table 4.1.

In addition to the audits related to Iraq reconstruction, SIGIR completed a peer review of the Legal Services Corporation audit function this quarter.

SIGIR currently has 10 ongoing audits, and others are expected to start during the upcoming quarter. SIGIR performs audit work under generally accepted government auditing standards.

SIGIR's reports have produced scores of recommendations designed to achieve management improvements and corrective actions needed in reconstruction and relief activities. The implementation of audit recommendations

TABLE 4.1

SIGIR AUDIT PRODUCTS SINCE 11/1/2008

REPORT NUMBER	REPORT TITLE	DATE ISSUED
SIGIR 09-008	Cost, Outcome, and Oversight of Iraq Oil Reconstruction Contract with Kellogg Brown & Root Services, Inc.	1/2009
SIGIR 09-009	Full Impact of Department of Defense Program To Restart State-owned Enterprises Difficult To Estimate	1/2009
SIGIR 09-010	Oversight of Aegis's Performance on Security Services Contracts in Iraq with the Department of Defense	1/2009
SIGIR 09-011	Opportunities To Improve Management of the Quick Response Fund	1/2009
SIGIR 09-012	The United States Has Reduced Its Funding for the Iraqi Security Forces, but Continued Support Will Likely Be Necessary	1/2009
SIGIR 09-013	Provincial Reconstruction Teams' Performance Measurement Process Has Improved	1/2009

is crucial. SIGIR auditors regularly follow up on open recommendations, seeking to achieve their full implementation to the extent practical. Appendix H shows the total number of SIGIR's recommendations by fiscal year and the recommendations that remain open:

- For information on all SIGIR audit projects issued as of January 30, 2009, see Appendix H, Table H-1, and the SIGIR website: www.sigir.mil.
- For more detailed information on the status of implementation of SIGIR recommendations from its audit products and recommendations that remain open, see Appendix H, Table H-2.

SIGIR's work is well coordinated with other audit entities engaged in Iraq-related work. That coordination is reinforced by representatives of these entities that meet together quarterly in the Iraq Inspectors General Council (IIGC) to more formally coordinate audit activities, prevent duplication of effort, and share information and experiences gained from ongoing audit activity.

A meeting of the IIGC was held on November 12, 2008, at SIGIR headquarters in Arlington, Virginia. Some members participated by phone from Baghdad and U.S. locations. The meeting was attended by representatives from SIGIR, the Department of Defense Office of Inspector General (DoD OIG), Department of State Office of Inspector General, U.S. Agency for International Development Office of Inspector General, Defense Contract Audit Agency, U.S. Army Audit Agency, Air Force Audit Agency, Navy Audit Agency, U.S. Central Command

Inspector General, and the Government Accountability Office.

SIGIR audit representatives also attend meetings at the DoD OIG offices to further coordinate ongoing and planned audit activities. Additionally, SIGIR has recently reinstated a similar coordination meeting among representatives of audit organizations based in Iraq.

Final SIGIR Audit Products for This Quarter
Cost, Outcome, and Oversight of Iraq Oil Reconstruction Contract with Kellogg Brown & Root Services, Inc.
(SIGIR 09-008, JANUARY 2009)

Introduction
Public Law 108-106, as amended, requires SIGIR to prepare a final forensic audit report on amounts appropriated or otherwise made available for the reconstruction of Iraq. To fulfill this requirement, SIGIR has undertaken a series of audits examining major contracts for Iraq reconstruction. The objective of these audits is to examine contract cost, outcome, and oversight, emphasizing issues related to vulnerabilities to fraud, waste, and abuse.

This report is the ninth in the series of focused contract audits. It examines reconstruction work contracted for by the U.S. Army Corps of Engineers (USACE) and performed by Kellogg Brown & Root Services, Inc. (KBR), related to rebuilding the southern portion of Iraq's oil infrastructure. This contract was competitively awarded in January 2004 (contract W9126G-04-D-0001).

Results

Although this contract initially had a not-to-exceed amount of $1.2 billion for the life of the contract, actual costs under the contract totaled about $722.3 million, pending adjustments based on contract closeout. Approximately $562.7 million came from the U.S.-appropriated Iraq Relief and Reconstruction Fund (IRRF), and $159.6 million came from the Iraqi's Development Fund for Iraq.[526]

Of 30 task orders under the contract, 6 covered support costs totaling $241.3 million, or 33.4% of contract costs; 24 others were for various purposes, including construction projects totaling $481.0 million. Although KBR accomplished much under the contract, the various tasks took longer than planned; were frequently modified, scaled back, and/or terminated; and increased in cost over time. SIGIR identified these key factors affecting contract costs and outcomes:

- High-value task orders were frequently modified to extend periods of performance, increase funding, or change the scope of work.
- Significant numbers of task orders were terminated for the convenience of the government because of funding limitations, cost overruns, failure to reach agreement on costs, changing requirements, and other factors.
- Support task orders changed frequently.
- Pre-award looting, post-award security issues, and inadequate pre-war maintenance of the facilities were major factors increasing contract costs.

The USACE Gulf Region Division (GRD) commented that "pre-award looting, post-award security issues, and inadequate pre-war maintenance of the facilities, combined with limited pre-existing knowledge of the state of those facilities, were *the* [emphasis added] major factors increasing contract costs."

Two themes recurred throughout this project. First, a large number of modifications were made to individual task orders, which indicates that the initial contract requirements lacked specificity. Second, uncertainties continued about requirements over time.

U.S. contracting officials have expressed concern that the Government of Iraq (GOI) may not be properly maintaining the rebuilt facilities and equipment that cost hundreds of millions of dollars in U.S.-appropriated IRRF money. And the GOI does not appear to be committed to completing and using some projects. For example, KBR restored some natural gas liquid and liquefied petroleum gas plants in southern Iraq at a cost of $146.7 million. At the conclusion of the task order, rotors for a turbine gas compressor remained to be installed at one plant. The rotors were delivered to the Iraqi government and stored in an Iraqi warehouse; however, the Iraqis reportedly have not yet installed the rotors. As a result, gas production at the plant is below goal, and a portion of the U.S. investment is being wasted.

The scale and complexity of rebuilding the oil infrastructure was challenging to government contract oversight officials and required use of a contractor to help provide program management

support. In addition, contract oversight suffered from the lack of continuity of contracting officials. Since January 2004, 13 government contracting officers have served an average of 4 months each.

The government criticized KBR for its inability to adhere to cost and schedule goals and produce oversight reports required by the contract and also identified weaknesses in KBR's cost information data, estimating system controls, and purchasing system controls. Further, in January 2007, the government's contracting officer expressed concern about the use of substandard piping material and a fraudulent material certification by one of KBR's suppliers. Although KBR's Quality Control Plan called for the piping material to be inspected by a quality assurance/quality control inspector, the material was inspected and accepted by a KBR receiving clerk. Contract files show that KBR referred the matter to the U.S. Army Criminal Investigation Division, but SIGIR found no record of any investigation of this matter and has referred the incident to its investigations unit for consideration.

Although the contract provided an award-fee plan in which KBR could earn a maximum of 3% of the negotiated estimated cost of the task orders based on its performance, it earned only about 25% of the amount it could have earned under this contract.

Conclusions

The lack of security, the absence of protection against infrastructure looting, and poor pre-war maintenance were the major contributors to the increased cost of this contract. What KBR rebuilt improved pre-war facilities, but unless the GOI completes what KBR started and maintains what it provided, the value of the U.S. reconstruction effort will be diminished and possibly lost. This report and other SIGIR audits have identified the importance of properly preparing the GOI to assume responsibility for assets the United States transfers to GOI and highlight the need to ensure unity of effort among responsible U.S. agencies.

Recommendations

SIGIR recommends that the U.S. Ambassador to Iraq take these actions:
- Direct the Economic Section of the Embassy to examine the extent to which the GOI is properly maintaining oil projects built by KBR.
- If the Economic Section of the Embassy concludes that project maintenance is lacking, direct the Economic Section of the Embassy to propose an entity to develop and implement a strategy to facilitate proper training of Iraqi personnel in project maintenance.

Lessons Learned

The United States undertook reconstruction projects in Iraq in an unstable security environ-ment, beset by funding uncertainties and time constraints. These conditions made it difficult to accomplish pre-award planning, define project requirements, and oversee contractor

performance. Nevertheless, fundamental elements of contract and project management and oversight should be accomplished to the extent possible. SIGIR identified a number of lessons that U.S. government organizations could apply to future reconstruction projects in a contingency environment, including:

- In a war zone, the immediate protection of existing infrastructure is key to avoiding looting, which significantly increases reconstruction costs.
- If materials provided by contractors are inspected by a receiving clerk and not by a qualified quality assurance/quality control inspector, the risk of product substitution and fraud increases.
- Stability and continuity in oversight personnel is important to effective contract oversight.

Management Comments and Audit Response

GRD provided written comments on a draft of this report. Overall, GRD agreed with the facts as presented in the report. However, it raised concerns about the way certain facts were presented and characterized. Further, GRD and the U.S. Department of State, Bureau of Near Eastern Affairs, provided technical comments, which were incorporated in this report as appropriate.

Full Impact of Department of Defense Program To Restart State-owned Enterprises Difficult To Estimate
(SIGIR 09-009, JANUARY 2009)

Introduction

Since the inception of the war in 2003, Iraq has reportedly had an approximate 60% underemployment/unemployment rate. The Department of Defense (DoD) believed that this high rate was a factor in fueling insurgency in the country in 2006; in June 2006, DoD established the Task Force to Improve Stability and Business Operations to stimulate economic development and employment in Iraq. One of the task force's major efforts has been to revitalize Iraqi state-owned enterprises (SOEs), which are factories that played an important role in Iraq's pre-war economy. SOEs employed about 200,000 Iraqis, according to DoD officials.

Since its inception in June 2006, the task force has received about $50 million in FY 2007 Funding and $53 million in FY 2008 Funding to revitalize state-owned factories. Projects associated with the FY 2007 funding are being implemented, although most of projects associated with the FY 2008 funding have not yet been given final approval for implementation. Once a project is selected for funding, the task force enters into a cooperative agreement with the SOE to implement the project. These agreements describe the assistance to be provided, the project time frames, and the procedures for the disbursement of funds. SIGIR's reporting objectives for this report were to assess the following:

- the baseline data and performance metrics that the task force used to estimate the impact of its projects
- the adequacy of management controls that the task force has in place to mitigate risk and ensure funds are used for the intended purposes
- the task force's future plans to assist SOEs

In July 2008, SIGIR reported on the financial resources devoted to the task force and the major areas of economic development assistance, along with examples of projects.[527]

Results

The task force faced a very difficult security environment, particularly as it launched the initial phases of its efforts. Nonetheless, the task force's efforts have served to help restart state-owned factories and provide employment. However, the full measure of its impact is difficult to estimate because of the absence of baseline data and weaknesses in the methodology used to identify the number of jobs impacted by the effort. Task force officials cited two primary reasons why reliable baseline data could not be established on actual production levels and numbers of employees working at each SOE prior to providing assistance. First, security considerations limited the time available to tour individual factories and identify potential projects that could improve operations. Second, task force assessment teams had to rely on testimonial evidence on the status of production and

number of employees working. Without reliable data, the task force developed an alternate methodology to estimate job impact.

Because the goal of the FY 2007 projects was to return people to work, the task force decided to use employment impact as the sole performance metric to assess the impact of the FY 2007 projects. Job impact was defined as returning people to work who were already on the payroll of an SOE but were not working because the factory was inoperable or did not have sufficient work for all employees. The task force estimated that FY 2007 projects would impact about 24,500 jobs. However, SIGIR was unable to validate the methodology used because there was no supporting documentation on how it was developed.

SIGIR found a number of anomalies in individual impact projections. For example, some estimates were based on the total number of employees in a state-owned enterprise rather than the number of employees at the individual factory being assisted. SIGIR does not believe that this approach provides a reliable basis for predicting job impact. Going forward, the task force has developed performance metrics involving impact on employment, production, and sales and plans to establish a baseline for these metrics to better assess the impact of FY 2008 projects.

Additionally, the task force has not been able to impact employment as quickly as initially expected because projects are taking longer to implement than planned. The task force

originally expected to implement most of the FY 2007 projects within six months. However, only one project was completed within six months and most of the projects are now estimated to take more than 13 months to implement. Task force officials stated that projects are taking longer to implement because of delays in obtaining detailed requirements from the SOEs and the time required to process procurement actions.

SIGIR's work identified three areas where internal controls can be improved. Two relate to funding provided directly to SOEs through electronic transfer or cash payments to make purchases, and the third area involves contracts awarded directly by the United States for items to be delivered directly to SOEs.

- In the first instance, SIGIR found that although the task force verifies that items purchased directly by SOEs are received, it does not obtain copies of invoices to verify the cost of these items. Because about $18 million (61%) of the funds disbursed as of November 30, 2008, have been transferred directly to SOEs to purchase raw material or equipment, it is important for the task force to verify the cost of these items to ensure full accountability of funds.
- In the second instance, SIGIR found two cases in which the task force provided the equivalent of $229,400 in Iraqi dinars to two SOEs, but has not verified how these funds were used.
- In the third instance, SIGIR found that items purchased on U.S. contracts were often paid for before the SOEs verified receipt of

the items. Although SIGIR found that verification of receipt has occurred after the fact, this practice creates a vulnerability to fraud.

The director of the task force told SIGIR that there are no plans to request any additional funding for projects to restart SOEs because the Government of Iraq (GOI) has significantly increased its capital budget to rehabilitate SOEs and has begun to enter into joint ventures with foreign investors to manage some SOEs. He noted, however, that the task force has contracts with two consulting firms to provide technical assistance and build the capacity of the Iraq Ministry of Industry and Minerals and the management of the SOEs, which will extend until the end of FY 2009. The contracts include helping the ministry negotiate joint ventures with foreign investors and helping SOEs develop business plans. Beyond FY 2009, further assistance would be contingent on GOI funding.

Recommendations

To ensure that reliable data is available to assess the impact of projects being implemented with FY 2008 funds, SIGIR recommends that the Deputy Under Secretary of Defense for Business Transformation require the task force to take this action:

1. Establish milestones for the timely collection of baseline data associated with the recently created performance metrics.

To improve accountability over U.S. funds and reduce vulnerability to fraud, SIGIR recommends that the Deputy Under Secretary of Defense for Business Transformation direct the task force to take these actions:

2. Obtain copies of invoices to verify the cost of items purchased directly by SOEs.
3. Follow existing internal control procedures and verify receipt of items at SOEs before payment is made under contracts awarded by the Joint Contracting Command-Iraq.

Management Comments and Audit Response

The task force director provided comments to SIGIR on a draft of this report. The director noted the constructive nature of the audit and stated that his team is working to implement the report's recommendations. At the same time, he raised concerns that the report had an overly negative tone and did not sufficiently address the accomplishments of the task force or the difficult environment in which the task force was operating. SIGIR's draft report did note the task force's accomplishments in creating employment in state-owned enterprises, but SIGIR's basic point remains that it is difficult to quantify the full impact on increasing employment. SIGIR added further information on the difficult operating environment. Last, SIGIR addressed the director's other concerns as appropriate.

Oversight of Aegis's Performance on Security Services Contracts in Iraq with the Department of Defense
(SIGIR 09-010, JANUARY 2009)

Introduction

This report pertains to Department of Defense (DoD) contracts with Aegis Defence Services, Limited (Aegis), in furtherance of a mandate in Section 842 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181), which requires SIGIR to develop, in coordination with other audit agencies, a comprehensive plan of audits of private security functions in Iraq.

A major provider of security services to DoD in Iraq, Aegis had received $624.4 million for those services, as of November 2008. From May 2004 through November 2008, approximately $612.8 million (98% of those funds) was received for services rendered under three Reconstruction Security Support Services (RSSS) contracts. This report focuses on the three contracts, examining their cost, the government's process for awarding them to Aegis, and the government's oversight of Aegis's bills, inventories, performance, and operations, including the reporting of serious incidents and compliance with the requirements of the Government of Iraq. The report also examines Aegis's personnel screening, selection, and training processes to determine whether they meet contract requirements.

The RSSS-I contract (W911S0-04-C-0003) was awarded in May 2004 and ended in November 2007. The RSSS-II contract (W91GDW-07-D-4021) was awarded in

September 2007, but the start of performance was delayed to February 2008 because the award was protested with the Government Accountability Office. Because the RSSS-II contact was delayed, a separate contract (W91GDW-08-C-4003) was awarded to bridge the period during which the protest was considered.

Over the years, several organizations have been involved in managing the RSSS contracts. The Gulf Region Division (GRD) of the U.S. Army Corps of Engineers has oversight responsibility for the vast majority of services performed under the RSSS-II contract, but the Multi-National Corps-Iraq (MNC-I) is responsible for overseeing contractor personnel who assist in MNC-I operations centers. The day-to-day oversight of Aegis's performance is the responsibility of Contracting Officer Representatives (CORs) for GRD and MNC-I. The United Kingdom (U.K.) Ministry of Defence, Office of Defence Equipment and Support (DE&S), audits Aegis's

invoices under a cooperative agreement between the United Kingdom and the United States. The Defense Contract Management Agency (DCMA) and the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) have assisted in contract administration and oversight.

Results

The costs of the services that Aegis provided were substantial. As Table 4.2 shows, DoD had obligated $679.7 million and spent $612.8 million on the RSSS contracts, as of November 2008.

For all three contracts, most of the costs are for labor. For the RSSS-II contract, labor costs are projected to be about 97% of total costs for the base year. Other cost-reimbursable items include travel, materials, and equipment. In addition to the $612.8 million in contract costs, the government provides life-support services—food, water, shelter, etc.—and vehicles to Aegis personnel at substantial cost, estimated at more than

TABLE 4.2

OBLIGATIONS AND EXPENDITURES FOR RSSS CONTRACTS, AS OF NOVEMBER 2008 ($ MILLIONS)

CONTRACT	CONTRACT NUMBER	OBLIGATIONS	EXPENDITURES
RSSS-I	W911S0-04-C-0003	$441.2	$434.5
RSSS-II	W91GDW-07-D-4021	199.8	142.8
Bridge	W91GDW-08-C-4003	38.7	35.5
Total		**$679.7**	**$612.8**

Source: U.S. Army Corps of Engineers Financial Management System.

$57 million per year. The government also furnishes Aegis with other services and supplies—such as ammunition, vehicle maintenance, and fuel—at costs that are not readily available.

Under the RSSS contracts, almost 1,400 Aegis personnel provide DoD with a variety of security services, including personal security, facilities security, and coordination and control of security detail movements. Aegis employs a mix of expatriates and Iraqis; most expatriates come from the United Kingdom, the United States, and Nepal.

SIGIR found well-supported contract awards to Aegis; appropriate government oversight of Aegis's bills, inventories, performance, and operations; and contract performance assessed as satisfactory to outstanding. For example:

- The two largest RSSS contracts were competitively awarded; the bridge contract, although noncompetitively awarded, was appropriately justified as a sole-source award.
- U.S. and U.K. agencies have provided appropriate oversight of Aegis's bills and have found that claims are well supported.
- U.S. agencies have monitored Aegis's controls of inventories and found them adequate to protect the U.S. government's interests.
- Aegis is adhering to its personnel screening and selection process, which should help to ensure that it hires personnel with the qualifications and personal qualities required by the contract.
- Aegis is adhering to its training program, which should help to ensure that personnel working on the contract are properly trained.

- As part of DoD's new process to coordinate private security operations with military units, Aegis personnel assisted in tracking more than 55,000 private security operations since February 2008.
- Aegis has reported about 80 of the 380 serious incidents reported by all security contractors since February 2008. Aegis is complying with requirements to coordinate its operations and report serious incidents involving attacks, injuries, and property damage. SIGIR plans to audit the incident reporting process.

SIGIR found that contract administration could be improved. Specifically:

- SIGIR noted that there is no central location for the contract-related electronic records that provide a history of Aegis's performance and government actions to oversee the performance of the contractor and, if needed, require changes to its performance. Instead, the numerous contracting officers and CORs for the RSSS contracts had maintained many of their contract files—especially those pertaining to contract oversight actions—in electronic formats in various computer directories. This lack of central records impeded SIGIR's ability to evaluate the strengths and weaknesses of Aegis's performance under the RSSS-I and bridge contracts and also to evaluate the adequacy of the government's oversight of Aegis's performance on those contracts. It may also impede the ability of follow-on contract managers to quickly understand the history of the contracts.

- Since 2004, the U.K. Ministry of Defence, Office of Defence Equipment and Support, has reviewed Aegis's invoices based on a verbal agreement with the DCMA office in northern Europe. In 2005, responsibility for the RSSS contract was transferred to the DCMA office in Baghdad. The audit team leader for DE&S stated that his office had not heard from the U.S. government about those reviews since 2005, and he did not know whether the DCMA office in Baghdad received or used his reports. SIGIR confirmed that the DCMA office in Baghdad is receiving the reports.
- Security personnel working for Aegis have been involved in vehicle accidents that resulted in the loss of costly government-provided vehicles due to negligence on the part of the personnel. Although Aegis took corrective actions by terminating or fining the individuals, it did not pay for the government-provided vehicles because the contract does not require Aegis to reimburse the government for such losses. Because Aegis recruits, hires, and trains these personnel, SIGIR believes that Aegis shares the responsibility for their actions.

Recommendations

To improve contract administration and oversight, SIGIR recommends that the Commanding General of the Gulf Region Division, the Director of the Defense Contract Management Agency, and the Commander of the Joint Contracting Command-Iraq/Afghanistan direct that these actions be taken as they relate to their respective responsibilities under the contract:

1. Ensure that the electronic files pertaining to contract administration and oversight are better organized in a central depository within the program management office and are made available to contract managers and external contract reviewers.
2. Specify in writing the audit role it wants the DE&S to perform, which U.S. government organizations should receive its reports, and which U.S. government organization is responsible for maintaining contact with DE&S.

SIGIR also recommends that the Commanding General of the Gulf Region Division and the Commander of the Joint Contracting Command-Iraq/Afghanistan take this action:

3. Ensure that future contracts require that the government and contractors equitably share the cost of vehicles lost through the negligence of contractor personnel.

Management Comments and Audit Response

DCMA agreed and GRD generally agreed with the report recommendations. GRD also provided technical comments, which SIGIR incorporated as appropriate.

Opportunities To Improve Management of the Quick Response Fund
(SIGIR 09-011, JANUARY 2009)

Introduction

In August 2007, the Department of State (DoS) created the Quick Response Fund (QRF) to provide a flexible mechanism to enable

Provincial Reconstruction Teams (PRTs) and embedded Provincial Reconstruction Teams (ePRTs) to facilitate Iraqi efforts to promote and accelerate economic and social development. The funds are provided through grants and/or direct purchases of materials—such as seed, fertilizer, or books—to local neighborhood and government officials or members of community-based organizations, including nonprofit organizations, business and professional associations, charitable organizations, and educational institutions.

In many respects, QRF is the DoS counterpart to the Department of Defense Commander's Emergency Response Program. Both programs make funds available to quickly respond to immediately assist local organizations, associations, and institutions. QRF is a DoS program with two components: a DoS component and a U.S. Agency for International Development (USAID) component:

- The U.S. Embassy's Office of Provincial Affairs (OPA) manages the DoS component, which is called the Quick Response Fund. This report refers to the overall program as the QRF program and to the DoS component of the program as the QRF-S program.
- The USAID component is the Iraq Rapid Assistance Program (IRAP).

A total of $135 million in FY 2007 Supplemental Economic Support Funds (ESF) and $30 million in USAID Civil Society program funds were allocated to support the QRF program; $35 million was allocated to QRF-S,

and $130 million was allocated to IRAP. The $30 million in USAID Civil Society program funds is not included in this review.

OPA is responsible for the overall management of QRF program activities, and the management of the two program components is divided based on the dollar value of the support provided. OPA's QRF-S program manages grants or funds for purchases under $25,000. The USAID Mission-Iraq's IRAP program manages all grants of $25,000 to $500,000.

The PRTs initiate all QRF-S and IRAP project proposals, but approval authority is divided. All grants must be approved by an OPA-managed Technical Evaluation Committee at the U.S. Embassy in Baghdad and by a Technical Evaluation Committee in Washington, D.C. Micro-procurements (purchases under $25,000 made locally) can be approved by PRT Team Leaders. Direct procurements over $25,000 must be approved by OPA. After OPA approval, the procurement request is forwarded to either the Joint Contracting Command-Iraq/Afghanistan or the U.S. Embassy-Baghdad General Services Office for contract award.

SIGIR initiated this review to assess the effectiveness and oversight of QRF program activities. The objectives of this audit were to answer these general questions:

- Are appropriate management controls in place and properly implemented to prevent waste, fraud, and abuse of QRF resources?
- Have performance goals, metrics, and processes been developed and implemented to assess program performance and results?

- How have program funds been allocated and expended?

Results

OPA has developed a sound process for reviewing and selecting projects to be funded by the QRF-S and IRAP programs to ensure that projects support program goals. However, OPA and USAID both need to improve their processes and documentation for assessing the success of projects in meeting intended goals. OPA acknowledges that it needs to improve its assessments. USAID collects a large amount of data on its projects, but relies on its contractor to assess project outcomes—rather than conducting independent analyses. SIGIR's review of the contractor's analyses found little information on:

- the achievements and results
- unintended program consequences
- issues of relevance, effectiveness, efficiency, impact, and sustainability

Without effective follow-up systems, projects funded under the QRF-S and IRAP programs are vulnerable to waste and fraud.

OPA received $35 million for QRF activities, and USAID received $100 million. OPA has largely finished its portion of the program, obligating $34.99 million of its $35 million as of September 30, 2008. USAID hired a contractor to manage its part of the program and considers its $100 million as fully obligated when it signed the contract. As of January 15, 2009, USAID had approved $52.1 million in IRAP projects. Contractor support costs are not included in this amount and appear relatively high—although the exact amount remains uncertain. According to USAID data, the costs may be about $0.61 for each $1.00 in grants provided to recipients.

SIGIR noted opportunities to improve program management in several other areas, including the need to ensure that complete documentation is in project files, and a need for training in awarding and managing large IRAP projects (more than $25,000).

Recommendations

SIGIR recommends that the Director, Office of Provincial Affairs, direct that actions be taken to:

1. Develop an appropriate process for evaluating and monitoring QRF-S projects to determine their outcome.
2. Establish procedures to ensure that QRF project files include all required documentation, including closeout documentation that identifies the results of the project. These procedures should also include checks to validate the completeness of file documentation.
3. Modify QRF training to include the roles and responsibilities of PRTs for large grants and purchases managed by USAID.

Management Comments and Audit Response

The USAID Mission Director-Iraq provided comments on this report. USAID generally concurred with the findings of the draft report with some reservations. Foremost, USAID believes that it is too early in the grant process to measure progress. Nonetheless, USAID

reported that its contractor would document the actual accomplishments of the grantees prior to close-out and that USAID would monitor this process. In commenting on the operational and support costs of the contract, USAID noted that after current budget support costs, $62.3 million out of the $100 million is available for grants. This amounts to a contract support cost of $.61 for every $1.00 in grants provided to Iraq recipients. SIGIR's report includes this updated information.

The U.S. Embassy-Iraq Office of Provincial Affairs provided technical comments to the draft report which we included in the final report as appropriate.

The United States Has Reduced Its Funding for the Iraqi Security Forces, but Continued Support Will Likely Be Necessary
(SIGIR 09-012, JANUARY 2009)

Introduction
Since 2005, the Congress has provided $18.04 billion in appropriated funds to the Iraq Security Forces Fund (ISFF) to allow the Commander, Multi-National Security Transition Command-Iraq (MNSTC-I), to provide assistance to the Iraqi Security Forces (ISF). These funds have been used for equipment, supplies, services, training, facility and infrastructure repairs, renovations, and construction. The Congress appropriated a total of $3.0 billion for FY 2008 and FY 2009, and a $1.0 billion "bridge" fund for FY 2009.[528] These funds expire at the end of FY 2009. Also, the Duncan Hunter National

Defense Authorization Act (NDAA) for Fiscal Year 2009 prohibits the use of FY 2009 ISFF appropriated funds for infrastructure projects, though previous authorizations allowed the use of these funds for such projects. It also requires MNSTC-I to ensure that Iraqi funds are used to support the development of the ISF.

In July 2008, SIGIR reported on the continued use of the ISFF for infrastructure projects in Iraq.[529] Given the restriction and the guidance expressed in the NDAA for FY 2009, SIGIR examined MNSTC-I's use of ISFF appropriations for all categories of expenditures. For this report, SIGIR examined:

- MSNTC-I's use of appropriated funds and spending plans for the remaining unobligated funds
- MNSTC-I's process for making ISFF spending decisions
- the relationship of U.S. spending to Iraqi spending for the ISF

Results
As of November 30, 2008, the Congress had appropriated $18.04 billion to the ISFF, of which $14.3 billion has been obligated to provide sustainment, equipment, training, infrastructure, and other related support to the ISF. Of the remaining unobligated funds, $277.1 million has expired and cannot be used for new obligations. However, about $3.5 billion is still available for new obligations until September 30, 2009, when any unobligated funds will also expire. ISFF appropriations have declined over the last few years: the Congress provided $3 billion for

FY 2008 and FY 2009, and a $1 billion "bridge" for FY 2009. From the total $4 billion, MNSTC-I plans to spend about 42% for equipment, approximately 30% for training needs, about 10% for sustainment support, and about 8% for associated activities. Spending plans for FY 2009 have been submitted to the Secretary of Defense for review but have not been approved, and funds have not been released. Therefore, SIGIR used the FY 2009 spending plans provided by MNSTC-I because it was the best information available.

Additionally, because the Congress prohibited the use of the FY 2009 ISFF appropriation for infrastructure projects, all of the approximately 10% planned for this spending category comes from the FY 2008 and FY 2009 funding. However, after accounting for its needs through the end of FY 2009, MNSTC-I has about $730 million for which no requirements have been identified.

MNSTC-I's functional teams and directorates consider several factors when determining and prioritizing requirements within their individual spending plans, including operational orders and priorities, spending criteria and funding guidance, and input from Iraq's Ministries of Defense and Interior. However, MNSTC-I's Commanding General is the final arbiter for all funding decisions. MNSTC-I officials stated that decisions to use U.S. funds instead of Iraqi funds are made mostly through high-level negotiations with Iraqi officials, in which they encourage greater Iraqi spending in accordance with the FY 2009 NDAA guidance. However, this process

and the results of these negotiations have not been well documented internally. Furthermore, although MNSTC-I encourages the Government of Iraq (GOI) to adhere to these agreements, it cannot compel compliance.

MNSTC-I continues to work with the GOI to increase its funding for the ISF and decrease the U.S. government's investments. Through foreign military sales and the "donor" fund program (that is, Iraqi funds managed by MNSTC-I), the GOI is expected to spend almost $16 billion by the end of 2009, excluding military personnel pay; this amount is still less than the cumulative ISFF contribution over the same time period. The ratio of Iraqi-to-U.S. spending increased last year, and Iraqi spending is expected to outpace the U.S. contribution in 2009. Consequently, Iraq is expected to spend almost three times more than the U.S. government in 2008 and 2009. Although efforts to shift the funding burden to the Iraqis continue, MNSTC-I expects to need ISFF appropriations to improve Iraqi capabilities. As a result, MNSTC-I recently shifted its spending priorities and intends to use its funds to provide key capabilities, consolidate security gains, and foster a long-term strategic relationship with Iraq.

Conclusions

The GOI's funding for the ISF has increased over the last two years due in part to MNSTC-I's efforts to encourage the Iraqi government to become more self-reliant. Funding to develop the ISF has made possible the growth in the number of trained and

equipped forces. MNSTC-I has been able to achieve this goal under difficult security environment. As a result of the rapid growth in forces, the emphasis on how ISFF appropriations are used has now shifted to providing capabilities that were not developed during the force buildup. Consequently, a large portion of the remaining ISFF appropriations will be used to purchase equipment and provide training to complete, sustain, modernize, and enable the ISF.

While advisors and trainers from MNSTC-I and the Multi-National Corps-Iraq work to increase, train, and equip the ISF, they also work with the GOI to increase the latter's funding contribution to its security forces. By assisting the GOI in purchasing more equipment and services through the Foreign Military Sales Program and the Donor Fund Program, MNSTC-I expects that it will require less U.S. funding and more GOI financial support in the next few years. At the same time, MNSTC-I and Coalition advisors are also assisting the GOI to determine and execute security-related requirements. As a result, the GOI's budget and funding execution processes have improved, which has allowed Iraq to make greater funding contributions. However, until these processes can fully support requirements, MNSTC-I anticipates that U.S. funding will still be needed to ensure that the ISF has the key capabilities necessary to provide security.

MNSTC-I officials acknowledge that future sustainment support is needed for some of the equipment and training services that will be purchased for the Iraqis. They also stated that helping the Iraqis in this area is a focus going

forward. To better ensure that all ISFF-purchased equipment and training services are sustained for long-term use, MNSTC-I advisors and trainers from all functional teams and directorates will need to continue to focus on assisting the Iraqis as they develop plans for sustaining these items.

Last, although the GOI's funding for its security forces has increased for the last two years and is expected to outpace U.S. contributions going forward, MNSTC-I's internal documentation of cost-sharing negotiations and arrangements is insufficient. Without a clearer understanding of how these funding arrangements are made—including the factors considered—transparency and accountability may be lost. Furthermore, as MNSTC-I advisors and trainers rotate in and out of Iraq, the lack of internal documentation regarding how and why these agreements were made could affect the long-term success of the agreements. Consequently, SIGIR believes that the cost-share negotiation process, the results of that process, and the rationale for using ISFF rather than GOI funds should be better documented internally.

Recommendations

SIGIR recommends that the Commanding General, MNSTC-I, direct that (1) a process be developed to internally document discussions with the Iraqis on funding arrangements, the results of those discussions, and the rationale for using ISFF instead of Iraqi funds for major requirements. SIGIR further recommends that, (2) as part of this process and to the extent practical, MNSTC-I continue to engage with the Iraqis and help develop plans to ensure that

equipment and training support purchased with ISFF appropriations is sustained.

Management Comments and Audit Response

In commenting on a draft of this report, MNSTC-I disagreed with SIGIR's draft recommendation and stated that it documents cost-share agreements by including anticipated GOI costs in its spending plans and by keeping records of Iraq's funding contributions. MNSTC-I also disagreed that the perceived lack of documentation could affect future mission success, given its success in obtaining GOI's commitment to increase cost-sharing. The final report clarifies that SIGIR's concern is related to the long-term success of these agreements. Last, MNSTC-I believes that the draft report did not adequately stress the positive trend in cost-sharing initiatives with the GOI. SIGIR agrees with MNSTC-I regarding the positive trend in cost-sharing agreements with the GOI, and this report reflects that point. However, SIGIR continues to believe that the recommended actions will improve management control over the program and promote transparency.

In addition, the Office of the Secretary of Defense (Comptroller) provided comments on a draft of this report, stating that the FY 2009 spending plans have not been approved and that funds have not been released for obligations. Therefore, the discussion on its use may be premature. Nevertheless, in anticipation of the approval and release of funds, MNSTC-I had developed plans to obligate the funds once they are released. As a result, SIGIR used data provided by MNSTC-I in its analysis because it was the best available information at the time. SIGIR incorporated other comments provided by the Comptroller's office in the final report as appropriate.

Provincial Reconstruction Teams' Performance Measurement Process Has Improved
(SIGIR 09-013, JANUARY 2009)

Introduction

Since October 2006, SIGIR has issued three reports examining the status, expansion, and effectiveness of Provincial Reconstruction Teams (PRTs) and embedded Provincial Reconstruction Teams (ePRTs) throughout Iraq. The PRT initiative is a civilian-military interagency effort that is the primary U.S. government interface between the United States, Coalition partners, and provincial and local governments throughout Iraq's 18 provinces. The PRT program was established in October 2005 to assist Iraq's provincial governments in developing a transparent and sustained capability to govern, to promote increased security and rule of law, to promote political and economic development, and to provide the provincial administration necessary to meet the basic population needs.

The ePRT program was established in 2007 as part of the surge of U.S. troops into Iraq. Under the program, PRT members were embedded directly into brigade combat teams that were part of the surge. The ePRTs deploy in neighborhoods and work at the district and municipal levels. The goal is to create areas where moderates will have

TABLE 4.3

NUMBER OF PRTs AND ePRTs WITH ASSESSMENTS AND WORK PLANS, AUGUST 2008

	PRTs	ePRTs	TOTAL
Number	16	12	28
Prepared a province assessment	15 (94%)	9 (75%)	24 (86%)
Prepared an updated work plan	5 (31%)	2 (17%)	7 (25%)

Source: SIGIR analysis of OPA data.

political space to operate and to bring anti-Iraqi forces under control.

SIGIR's objectives for this audit were to review the PRT program and answer these general questions:

- Have program objectives and performance measures or metrics been established?
- What is the status of future program plans in relation to the reduction in U.S. military forces?
- Are lessons learned being captured that could be useful in other contingencies?
- What actions have been taken based on SIGIR's prior recommendations?

Results

Performance Measurement Has Improved. The Office of Provincial Affairs (OPA) has developed a performance assessment system for evaluating provincial capabilities; however, OPA has not consistently required the PRTs to develop and submit written work plans that identify planned activities to address areas of weakness identified by the assessment system. This limits OPA's oversight of PRT activities and its knowledge of whether the PRT activities effectively address identified weaknesses in some provinces. During the course of this review, OPA improved its procedures for preparing, submitting, and reviewing work plans.

OPA's performance assessment system—the Maturity Model assessment process—requires each PRT to submit a quarterly assessment of

its province's capacity based on five lines of activity: governance, political development, economic development, political reconciliation, and rule of law. According to OPA's *Planning and Assessment User Guide,* the assessments then serve as the basis for preparing work plans to address activities identified as needing attention. SIGIR analyzed the PRT assessments and work plans for the quarter ending in August 2008 and found that about 86% of the PRTs completed their assessments, but only about 25% prepared updated supporting work plans. Most of the instances in which plans were not prepared occurred in the ePRTs. Table 4.3 shows the results of the SIGIR analysis.

SIGIR identified a number of reasons why work plans were not prepared, including weaknesses in guidance and a lack of adherence to requirements. For example, SIGIR found that OPA's *Planning and Assessment User Guide* requires OPA desk officers, who are responsible for coordination with PRTs, to review and understand the PRT work plans. PRT team leaders approve all section work plans and consolidate them into one PRT work plan. Desk officers then "…ensure the work plan accurately reflects the Maturity Model assessments and the categories within them." However, the guidelines do not identify the actions that desk officers should take when work plans are not submitted or when the plans are not aligned with the assessment categories. Additionally, some OPA desk officers failed to follow the guide and

did not consistently ask for quarterly updates of work plans.

During the SIGIR review, OPA revised its *Planning and Assessment User Guide* to address these issues. SIGIR's review of the new guide showed significant improvement. For example:

- Desk officers are now clearly responsible for the quality control of the PRT assessments.
- Desk officers are responsible for ensuring that PRTs complete and turn in their work plans within the reporting timelines.
- Desk officers are directed to report PRTs that do not submit work plans to the Deputy Director, OPA.
- Desk officers are required to ensure that the work plans' focus and priorities address the problems identified by the performance assessment.

These changes, if properly implemented, should improve OPA's internal controls over the process of reporting PRT assessments and work plans.

One additional area in the guide that could be further improved relates to clarifying the role of the Plans and Assessments Cell in reviewing assessments. The new guide does not identify the Cell's roles and responsibilities such as factors to be assessed and processes for providing review feedback.

Drawdown and Closeout of PRTs is Condition-based, Leaving Timing Uncertain.
In September 2008, OPA submitted a report to the Congress outlining the strategy for the eventual drawdown and close-out of the PRTs.

To detail how the drawdown process would be conducted, OPA issued another document on October 1, "The Provincial Reconstruction Teams Transition Strategy—a Roadmap." SIGIR's analysis shows that these plans are condition-based: the transition strategy identifies key events that will trigger the drawdown rather than a specific closeout timeline. SIGIR believes that given the recently signed Security Agreement and the hard deadlines for withdrawal, it is uncertain whether military resources will be available to support PRTs until all conditions for closeout are met. Further, the relationship between the U.S. government and the Government of Iraq (GOI) continues to evolve, raising additional questions about the role of PRTs in terms of the assistance the Government of Iraq may desire and how it will be provided.

Lessons Learned Are Being Captured.
PRTs and their supporting agencies have put effective processes in place to capture lessons learned, including weekly situation reports, cables, quarterly PRT team leader meetings, and the Center for Army Lessons Learned's *Provincial Reconstruction Team Playbook*. Additionally, the U.S. Department of State (DoS) is developing a database to compile PRT lessons learned in Iraq. When completed, the DoS database is planned to be accessible to all participating agencies and will focus on best practices that could be applied to other contingency environments.

SIGIR Prior Recommendations Have Largely Been Addressed.

In prior reports on the PRT program, SIGIR made 12 recommendations to improve program effectiveness.[530] Prior to this audit, SIGIR closed eight of the recommendations, based on management action. The current audit noted additional management action that supported closing three of the four open recommendations. As discussed earlier, a prior SIGIR recommendation to require PRTs to submit work plans for accomplishing objectives within established milestones remains open awaiting further action.

Recommendations

SIGIR recommends that the U.S. Ambassador to Iraq take these actions:

1. Direct the Director of OPA to update the *Planning and Assessment User Guide* to include the following:
   a. a clarification of the roles and responsibilities of OPA's Plans and Assessments Cell
   b. a process for desk officers to account for all required PRT and ePRT submissions each quarter, including work plans for all five lines of action, and to provide feedback to the PRT or ePRT regarding missing or deficient items
2. SIGIR also recommends that the Ambassador work jointly with the Commander, Multi-National Force-Iraq, to update the PRT closeout strategy so that it takes into account the impact of U.S. troop reductions on PRT operational activities.

Management Comments and Audit Response

SIGIR received written comments on a draft of this report from OPA and MNF-I. OPA stated that it considers the report to be comprehensive, fair, and accurate. However, it did not agree with the draft recommendation to synchronize the PRT closeout strategy with U.S. troop reduction plans. According to OPA, the U.S. government aid and assistance plan should not be locked into the hard timelines for the military withdrawal from Iraq. SIGIR agreed with the point and modified its recommendation to say that the closeout strategy should take into account the impact of U.S. troop reductions on PRT operational activities.

MNF-I concurred with SIGIR's comment that PRT transition is conditions-based and that the U.S. troop reduction is a condition the PRT program should accommodate or at least recognize in its transition plans.

Ongoing and Planned Audits

SIGIR conducts primarily performance audits that assess the economy, efficiency, effectiveness, and results of Iraq reconstruction programs, often with a focus on the adequacy of internal controls and the potential for fraud, waste, and abuse. This includes a series of focused contract audits[531] of major Iraq reconstruction contracts, which will enable SIGIR to respond to congressional direction for a "forensic audit" of U.S. spending associated with Iraq reconstruction.

Ongoing Audits

SIGIR is currently working on these audits:

- SIGIR-8019: Joint Review with State Department IG of Blackwater Contract and Associated Task Orders for Worldwide Personal Protective Services (Replaces former SIGIR Project 7018)
- SIGIR-8022: Review of the Transition of Iraq Reconstruction Projects to the Government of Iraq
- SIGIR-8031: Review of Military Field Commanders' Experiences Working with and Managing Private Security Contractors in the Iraqi Theater of Operations
- SIGIR-8032: Review of DoD's Theater-wide Security Services (TWISS) Contract
- SIGIR-8034: Review of Opportunities To Increase Cost-sharing Arrangements for Reconstruction of Iraq
- SIGIR-8037: Review of the National Maintenance Contract and Related Contracts (a focused contract audit)
- SIGIR-8038: Review of DoS Management Practices Related to International Republican Institute and National Democratic Institute Grants for Democracy-Building Projects in Iraq
- SIGIR-9001: Review of the Status of Primary Healthcare Centers Partially Constructed Under a Contract with Parsons
- SIGIR-9002: Review of Iraq Security Forces Fund Contracts with Environmental Chemical Corporation (ECC) for Iraq Reconstruction Projects
- SIGIR-9007: Review of Outcome, Cost, and Oversight of Contracts with Wamar International, Inc., for Program Activities in Iraq

Planned Audits

SIGIR's audit planning is aligned with two key goals contained in SIGIR's strategic audit plan: (1) improving business practices and accountability in managing contracts and grants associated with Iraq reconstruction; and (2) assessing and strengthening the economy, efficiency, and effectiveness of programs and operations designed to facilitate Iraq reconstruction.

SIGIR's strategic plan recognizes two specific legislative mandates affecting SIGIR audits. The first is the mandate for SIGIR to complete a forensic audit report on all amounts appropriated or otherwise made available for Iraq reconstruction before SIGIR goes out of existence. As part of that effort, SIGIR has, to date, completed 9 focused contract audits dealing with outcome, cost, and oversight associated with major reconstruction contracts in Iraq, as well as vulnerabilities to fraud, waste, and abuse. Additional focused contract audits are ongoing, as noted above, and others are planned.

Additionally, this quarter SIGIR took steps toward a broader focus on forensic audit issues by announcing a special project (SIGIR 09-005) to review DoD appropriation, obligation, and expenditure transaction data related to Iraq relief and reconstruction for fiscal years 2003-2008. The objective of the project is to examine options for combining automated transaction data and

data-mining techniques to review the appropri-ateness of expenditures for Iraq relief and recon-struction activities. This project could lead to additional SIGIR follow-on efforts or products.

The second recent legislative mandate gave SIGIR a lead role in developing a comprehensive audit plan for a series of audits of federal agency contracts, subcontracts, task orders, and delivery orders for the performance of security and reconstruction functions in Iraq, in consulta-tion with other inspectors general. That plan has been completed and can be found at the SIGIR website, www.sigir.mil. SIGIR has completed two audits under that plan, and others are ongoing and planned.

SIGIR INSPECTIONS

This quarter, SIGIR Inspections conducted 10 project assessments, issued in 8 reports. SIGIR teams assessed relief and reconstruction projects funded from a number of sources:

- three funded by the Iraq Relief and Reconstruction Fund (IRRF)
- three funded by the IRRF and the Iraq Security Forces Fund (ISFF)
- two funded by the Commander's Emergency Response Program (CERP)
- one funded by the Economic Support Fund (ESF)
- one funded by IRRF, ISFF, and the Iraq Interim Government Fund (IIGF)

SIGIR's sustainment assessments focus on whether the projects delivered to the Iraqis were operating at the capacity planned in the original contract or task order objective. To accomplish this, SIGIR determined whether the projects were at planned capacity when accepted by the U.S. government, when transferred to Iraqi operators, and during the assessment. In addition, SIGIR determined whether sustainability was adequately planned for and whether it is likely to continue.

SIGIR's construction assessments addressed these general questions:

- Were the project components adequately designed before construction or installation?
- Did the construction or rehabilitation meet the standards of the design?
- Were the contractor's quality control and the U.S. government's quality assurance programs adequate?

- Were project sustainability and operational effectiveness adequately addressed?
- Were the project results consistent with the original objectives?

Since the Inspections program began in summer 2005, SIGIR has completed 141 project assessment reports, 96 limited on-site inspections, and 695 aerial assessments.

This quarter, SIGIR assessed seven sustainment projects and found results that were similar to past sustainment assessments: long-term operations and maintenance practices were not being followed, and routine maintenance was not being done. These oversights have put projects in jeopardy of failure or in need of repair far sooner than is standard—even successful projects that had been completed and were functioning according to specifications when they were turned over to the Government of Iraq. This quarter's project assessment of the **Heet Primary Healthcare Center** (PA-08-133) is an example of the problem. During the site visit, SIGIR determined that medical equipment delivered in February 2008 was not connected and was not operational. For example, the reverse osmosis unit was still sitting in a crate outside the facility, and the dental chair was not connected in the dental room. The crate containing the reverse osmosis unit was coming apart; the unit was not protected from the harsh elements. If critical equipment is not properly installed and maintained, potential benefits to the Iraqis will not be realized.

SIGIR's three construction assessments this quarter were typical of previous construction projects assessed. Project work was behind schedule, contract costs were increased, and SIGIR found a lack of necessary contractor oversight, quality control, and adequate design documentation. However, the U.S. government's quality assurance programs were effective, thus ensuring successful project completions. At the **Haditha General Hospital** (PA-08-132), the contractor had not yet provided the U.S. Army Corps of Engineers (USACE) with the design drawings for the new construction work based on the revised Statement of Work; the submittals were more than a month behind schedule. The contractor did not maintain required weekly progress reports and construction inspection reports. During the site visit, SIGIR observed significant deficiencies that were not addressed in the Statement of Work. For example, the

outpatient clinic did not have a ramp/runway for patients with limited ambulatory capabilities to access the building.

The crippled national power grid continues to exert a negative effect on projects throughout Iraq. Because permanent power is unreliable in the Haditha area, the primary power source will be generators, which require a significant amount of diesel fuel to operate. The contractor had not calculated the amount of fuel required to run the generators 24 hours per day and had not provided the information to the hospital administration and the Ministry of Health.

For a list of the project assessments that SIGIR completed this quarter, see Table 4.4. For a complete list of project assessments from previous quarters, see Appendix I.

Figure 4.12 shows the approximate location of each project assessed this quarter and in previous quarters.

TABLE 4.4

TEN PROJECTS ASSESSED THIS QUARTER ($ THOUSANDS)

PROJECT NAME	ASSESSMENT TYPE	PROVINCE	BUDGETED COST	EXECUTING AGENCY	FUNDING SOURCE	CONTRACTOR	GRD REGION
Haditha General Hospital	Construction	Al Anbar	$5,034	GRC	ESF	Local	Central
Heet PHC	Sustainment	Al Anbar	$412	GRC	IRRF	Parsons/Local	Central
Haditha PHC	Sustainment	Al Anbar	$538	GRC	IRRF	Parsons/Local	Central
Al Iqitadar School	Sustainment	Al Anbar	$200	MNC-I	CERP	Local	Central
Al Shurhabil School	Sustainment	Al Anbar	$268	MNC-I	CERP	Local	Central
Anbar Rule of Law/Judicial Complex	Construction	Al Anbar	$21,462	GRC	IRRF, ISFF, and IIG	ALMCO Limited	Central
Ramadi 132-kV Substation	Construction	Al Anbar	$28,789	GRC	IRRF	Symbion-Ozdil-Al Namarq Joint Venture	Central
Baghdad Police College—three Plumbing Repairs projects	Sustainment	Baghdad	$3,183	AFCEE & MNSTC-I	IRRF and ISFF	Laguna Construction	Central

FIGURE 4.12

PROJECT ASSESSMENTS

Approximate locations of the 141 projects where inspections were
conducted, analyzed, and reported to date.

This Quarter
Other Quarters
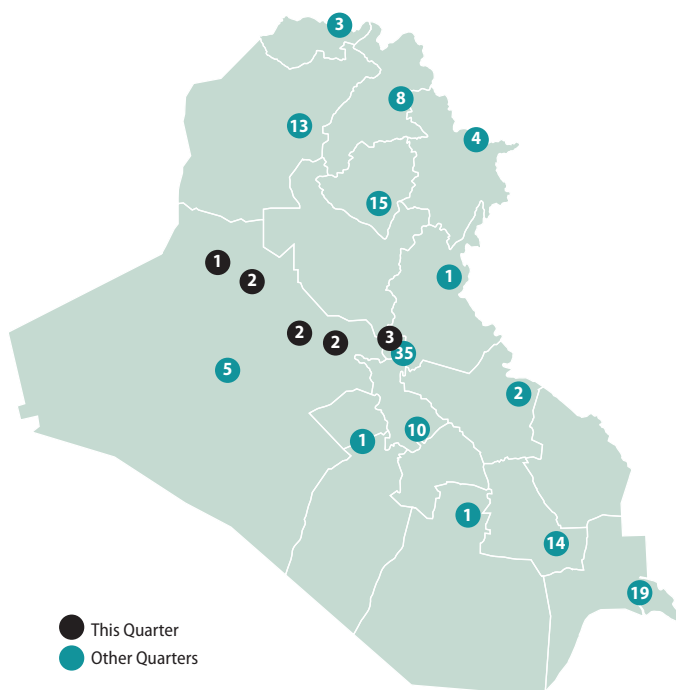
SIGIR Project Assessments

This section provides summaries of SIGIR project assessment reports completed this quarter. For the full reports, see the SIGIR website, www.sigir.mil.

Haditha General Hospital, Haditha, Iraq
SIGIR PA-08-132

The Haditha General Hospital is a 100-bed facility serving the entire city of Haditha in Anbar province. This hospital suffered significant battle damage in 2005 when insurgents attacked Coalition forces nearby. In May 2005, insurgents drove a Vehicle Borne Improvised Explosive Device into the perimeter wall of the Haditha General Hospital Complex. The explosion caused no casualties, but it destroyed the hospital's logistics and support facility, kitchen, laundry, storage room, and ward for private patients. The lack of a storage facility required using patient-care facilities for storage and reduced the hospital's in-patient capacity from 100 to approximately 60 beds.

On December 11, 2007, a contract for $3,742,384 was awarded to a local contractor for the renovation of the Haditha General Hospital. However, shortly after awarding the contract, the hospital administrator determined that the contract as written did not adequately address many of the hospital's needs. In a subsequent

meeting of the hospital administrator and U.S. representatives, the needs of the hospital were outlined, which resulted in a significant modification to the original contract. The total cost of the contract was increased to $5,033,791.39, and the contract completion date was extended from February 16, 2009, to August 15, 2009.

Because of the major revision of the original scope of work, this project is behind schedule. At the time of SIGIR's site visit, the contractor had performed only minor renovations to the hospital, such as upgrading the electrical system, repainting the interior and exterior, and repairing several doors and windows. No substantial new construction had been performed.

Project Assessment Objective

SIGIR conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The assessment team comprised two engineers/inspectors and two auditors/inspectors. Specifically, SIGIR addressed these general questions:

- Were the project components adequately designed prior to construction or installation?
- Did the construction or rehabilitation meet the standards of the design?
- Were the contractor's quality control program and the U.S. government's quality assurance program adequate?
- Was the sustainability of the project addressed?
- Were the project results consistent with the original objectives?

Conclusions

The assessment determined that:

1. The contractor submitted a revised proposal for the renovations and additions to the original Haditha General Hospital project, which included preliminary floor plans for the proposed additions. The contract's bill of quantities provided enough information and detail for the contractor to renovate the hospital without detailed designs.

   However, at the time of SIGIR's site visit on November 4, 2008, the contractor had not yet provided USACE with the design drawings for the new construction work based on the revised Statement of Work. The submittals were more than a month behind schedule and were not expected for at least another two weeks.

2. At the time of SIGIR's site visit, only minor renovations appeared to have been completed at the hospital. Most of the renovations were upgrades to the electrical system, including installing new main panels, fixtures, and ceiling fans; repairing the restroom facilities; repainting the interior and exterior; and repairing several doors and windows. Based on the site visit and the review of USACE's quality assurance reports, SIGIR determined that the renovation work completed appeared to be adequately constructed and consistent with the contract's bill of quantities.

3. The contractor's quality control (QC) plan was adequate to guide the contractor's quality management program. However, the contract required that the contractor

maintain weekly progress reports and construction inspection reports. SIGIR reviewed the contractor's daily and weekly QC reports and found them to be insufficient. For example, the contractor provided only a total of 10 daily QC reports. Even though the QC reports contained project-specific information, the lack of a sufficient number of QC reports is inadequate for an effective quality management program.

The government quality assurance (QA) program was effective in ensuring that the renovation of the Haditha General Hospital project was adequate. USACE quality assurance representatives maintained daily QA reports that documented deficiencies identified at the site. SIGIR found the QA reports to be sufficiently complete, accurate, and timely. The reports contained project-specific information to document construction progress and highlight deficiencies, and QA representatives supplemented the daily QA reports with detailed photographs that reinforced the narrative information provided in the reports. Further, the QA team followed up on any reported deficiencies to confirm that the contractor took the necessary corrective actions. The Gulf Region Central's QA program compensated for the inadequate contractor QC program and is ensuring the successful renovation of the Haditha General Hospital.

4. Sustainability was addressed in the contract requirements. The contract required a one-year warranty for all materials and equipment; it also required commonly offered extended warranties for material, equipment, and machinery purchased. In addition, the contract required operations and maintenance manuals, written in Arabic and English, including standard operating procedures for all equipment and systems. The contract also recommended spare parts lists for all equipment. Finally, the contractor was required to conduct specific operations and maintenance training appropriate to the facilities and equipment installed, constructed, or rehabilitated.

Because the end result of this renovation and expansion project will be a larger hospital that can serve more patients, the need for increased power sources will also increase. Because permanent power is unreliable in this area, the primary power source will be generators, which require a significant amount of diesel fuel to operate. As of SIGIR's site visit, the contractor had not calculated the amount of fuel required to run the generators 24 hours per day. This calculation should be completed during the design phase; however, the design submittals are behind schedule. Once it has been calculated, this information needs to be provided to the hospital administration and the Ministry of Health so they can properly plan to have diesel fuel readily available.

Exterior of the surgery wing building.

Installation of new wire molding, outlets, and new main distribution panels.

Interior of the hospital administration building.

Exterior of the outpatient clinic building.

5. To date, the Haditha General Hospital project results are consistent with the original contract objectives to renovate and expand the hospital. If current renovation and construction practices are continued throughout the course of the project, this hospital will be able to adequately provide health care to the local Iraqis it serves. Specifically, the renovation and expansion will increase the number of patients the hospital can support and will improve the hospital's mechanical, electrical, and structural systems.

Recommendations

This report does not contain any negative findings or recommendations for corrective action. Therefore, management comments are not required.

Management Comments

Although management comments were not required, the appropriate Gulf Region Division personnel reviewed the report and found it to be factually correct.

Heet Primary Healthcare Center, Heet, Iraq
SIGIR PA-08-133

The objective of this project assessment was to determine whether the project is operating at the capacity stated in the original contract. To accomplish the objective, the assessment team determined whether the project was at full capability or capacity when accepted by the U.S. government, when transferred to Iraqi operators, and during the site inspection on November 3, 2008. SIGIR conducted this limited scope assessment in accordance with the Quality Standards

for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The assessment team comprised two engineers/ inspectors and one auditor/inspector.

Project Objective

The overall objective of the project was to complete the partially constructed Type A Heet Primary Healthcare Center (PHC). When completed, this facility was expected to serve approximately 150 patients daily, which would relieve the overburdened outpatient care currently provided by existing hospitals. The facility was partially completed by Parsons Delaware, Inc. (Parsons), before the contract was terminated in March 2006. At the time of termination, the facility was approximately 60% complete.

Conclusions

The contract to complete the Heet PHC required the contractor to assess the existing conditions of the partially built PHC to determine the necessity of additional design or re-work. The Gulf Region Central (GRC) Al-Asad Resident Office could not locate the contractor's assessment report; therefore, SIGIR could not determine the quality of the partially built PHC.

During construction, the GRC Al-Asad Resident Office performed routine site inspections of the facility to determine the status and quality of work. Specifically, the GRC Al-Asad Resident Office performed a pre-final inspection on July 11, 2007, and identified significant construction deficiencies, such as damaged air-conditioning units, interior water leaks, and overall poor construction quality. The GRC Al-Asad Resident Office made several follow-up

site visits and found that the previously identified deficiencies were still outstanding, unresolved, or incomplete. The GRC Al-Asad Resident Office also identified more deficiencies, including the use of unapproved interior fans and old salvage hot-water heaters. The GRC Al-Asad Resident Office became increasingly frustrated with the contractor, stating:

> Basically there was no change in the condition of this PHC since the last site visit which was to have been the pre-final inspection. This contractor has made little or no attempt to bring this contract to close. I believe he is merely playing a waiting game, in the hope USACE or the Iraqi Ministry of Health will accept this facility as it stands.

To properly complete and turn over the partially constructed PHCs by Parsons nationwide, the Gulf Region Division (GRD) issued a standard operating procedure to "outline as clearly as possible the key items and responsible parties in delivering PHCs to the Iraqi Ministry of Health." According to the standard operating procedure, PHCs will be provided with modern medical equipment, office equipment, furniture, and three months of medical equipment and consumables. Specifically:

> GRD will deliver quality, complete, functional Primary Health Clinics to the Ministry of Health as close to schedule and within the allotted budget. "Complete" includes working electrical generators, installed and commissioned medical equipment, and furniture and consumables.

According to the GRC Al-Asad Resident Office documentation, the PHC equipment was delivered to the site in February 2008. The GRC Al-Asad Resident Office site visits document that over the next few months the "PHC furniture and furnishings delivered to the site…are in the process of being distributed to the respective rooms." However, a subsequent GRC Al-Asad Resident Office inspection report noted that one of the dental chairs had not yet been installed.

On July 16, 2008, the U.S. government and Iraqi Ministry of Health performed a final inspection and accepted the Heet PHC from the contractor. According to the turnover document, the final inspection by the GRC Al-Asad Resident Office noted "no new deficiencies" from the pre-final inspection on July 11, 2007, and that all previously identified deficiencies were "completed." The final inspection report did not include any photographs of the corrected deficiencies or the condition of the PHC.

SIGIR's site visit determined that the contractor had not corrected many of the original deficiencies identified in the pre-final inspection, such as damaged air-conditioning units and interior leaks. The SIGIR team also noticed the strong smell of diesel fuel throughout the PHC; the source of the smell was a leak in one of the supply lines from the fuel storage tank to the generator. The diesel fuel was spreading to the main electrical line, which was not installed in a concrete vault (as required by a previous GRC Al-Asad Resident Office inspection report). Because the generator and fuel tank were located adjacent to the building, the diesel fumes entered the building. The diesel fuel spill is a fire hazard; moreover, the concentration of fumes throughout the facility presents a potential respiratory health issue for the staff and patients.

Further, SIGIR's site visit determined that medical equipment delivered to the PHC in

Interior leaks identified during SIGIR site visit.

Exposed reverse osmosis unit delivered but not installed.

February 2008 was neither connected nor operational. For example, the reverse osmosis unit is still sitting in a crate outside the facility, and one of the dental chairs is not connected in the dental room. The crate containing the reverse osmosis unit is coming apart; the unit is not protected from the harsh elements.

In addition, the PHC depends on the national grid for its primary power, but the national grid is unreliable, providing only approximately four hours of electricity per day. Therefore, two generators were included to provide consistent and reliable power to operate the reverse osmosis unit and dental chair when power from the national grid is down. The larger generator has an automatic transfer switch, which turns on the generator to run the PHC once power is lost from the national grid. Any hesitation or delay in transferring power from the national grid to the generator means the facility will not have power, which could result in dire consequences. According to the PHC administrator, the larger generator's automatic transfer switch does not work. SIGIR attempted to determine the cause of these problems by observing the control panel; however, the wiring and controls in the control

panel were not easily understood. Due to time limitations on site, SIGIR could not identify the cause of the malfunction of the automatic transfer switch. The end result is that when power is lost from the national grid, a PHC representative must manually switch on the generator. In addition, the administrator stated that the 500-kilovolt backup generator does not work.

SIGIR identified other construction deficiencies, such as leaks in the bathrooms, nonfunctioning hot-water heaters, exterior surface cracks, and low-quality windows.

During the site visit, SIGIR observed doctors attending to patients and pharmacists dispensing medication.

The GRD's Corrective Actions for the Sustainment of Health Projects. GRD recognized that, in many cases, the contractors that were awarded the contracts to complete the PHCs nationwide did not properly install the medical equipment or train the available personnel on the use of the equipment. In addition, throughout the history of the Iraq Relief and Reconstruction Fund program, once the U.S. government turned over facilities to the Iraqi ministries, little preventive maintenance

was performed for items such as generators. Consequently, the facilities and equipment were failing much more quickly than expected. Considering the importance of PHCs to the local Iraqi population and the specialized equipment provided to each PHC, preventive maintenance and training are imperative for the overall operation and long-term sustainment of each PHC.

As a result, GRD initiated a $16.5 million contract for the sustainment of health projects funded by the U.S. government. For each PHC, a facility assessment survey is completed that identifies the actual physical condition of the facility and the equipment. The survey is used to develop a preventive maintenance program for each PHC. The preventive maintenance program will then be loaded into a computerized system, which will identify the need for a contractor to perform recurring maintenance on facilities and bio-medical equipment. The repair work orders will be addressed on a case-by-case basis and prioritized according to the system criticality of each PHC.

GRD will contract with multiple Iraqi companies throughout the country to perform the preventive maintenance and training. In addition, this contract provides for coaching and mentoring Iraqi companies in operation and maintenance, which the Gulf Region Division believes will slowly improve the Iraqis' ability to ultimately sustain facilities and equipment.

GRD representatives stated that this PHC is on the list for prioritization for future installation of and training on medical equipment, specifically the reverse osmosis unit, dental chairs, and x-ray machine.

Access cover removed from non-functioning transfer switch.

Diesel fuel spill and electrical line not installed correctly.

Recommendations

SIGIR recommends that the Commanding General, Gulf Region Division, perform all installation of, and training on, the medical equipment currently at the Heet PHC, according to its prioritization listing.

SIGIR recommends that the Director, Iraq Transition Assistance Office (ITAO), emphasize to the Iraqi Ministry of Health the critical importance of preventative maintenance and training to the Iraqis.

Management Comments

GRD generally agreed with the facts as presented in the report. In addition, GRD requested that SIGIR replace all report references to the "U.S. Army Corps of Engineers" or "USACE" with "GRD."

With regards to the recommendations, GRD concurred with the first recommendation and non-concurred with the second recommendation. GRD non-concurred with the second recommendation, noting that the Joint Campaign Plan, Annex B, Task 1.1.5 identifies the ITAO as the lead U.S. government organization to influence and work with the Government of Iraq to assume full ownership and responsibility for operation and maintenance of U.S. government funded projects.

Evaluation of Management Comments

GRD's project file contained numerous references to the U.S. Army Corps of Engineers or USACE. In keeping with GRD's request, except in cases of direct quotations from project file documentation, SIGIR replaced all references to the "U.S. Army Corps of Engineers" or "USACE" with "GRD."

In view of the language of the Joint Campaign Plan, Annex B, Task 1.1.5, SIGIR agrees that ITAO is the lead U.S. government organization to influence and work with the Government of Iraq to assume full ownership and responsibility for operation and maintenance of U.S. government funded projects. Therefore, SIGIR redirected the recommendation to ITAO.

Haditha Primary Healthcare Center, Haditha, Iraq
SIGIR PA-08-134

The objective of this project assessment was to determine whether the project is operating at the capacity stated in the original contract. To accomplish the objective, the assessment team determined whether the project was at full capability or capacity when accepted by the U.S. government, when transferred to Iraqi operators, and during the site inspection on November 4, 2008. SIGIR conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The assessment team comprised two engineers/inspectors and one auditor/inspector.

Project Objective

The overall objective of the project was to complete the partially constructed Type A Haditha Primary Healthcare Center (PHC). When completed, this facility was expected to relieve the overburdened outpatient care currently being

provided by other area hospitals. The facility was partially completed by Parsons Delaware, Inc. (Parsons), before the contract was terminated in March 2006. At the time of termination, the facility was approximately 40% complete

Conclusions

The contract to complete the Haditha PHC required the contractor to perform an assessment of the existing conditions of the partially built PHC to determine the necessity of additional design or re-work. The GRC Al-Asad Resident Office could not locate the contractor's assessment report; therefore, SIGIR could not determine the quality of Parsons' partially built PHC.

During construction, the GRC Al-Asad Resident Office performed routine site inspections of the facility to determine the status and quality of work. Throughout these inspections, the GRC Al-Asad Resident Office identified significant construction deficiencies, such as substandard electrical connections, improperly placed drains throughout the PHC, poorly insulated duct work, and plumbing issues. The GRC Al-Asad Resident Office made several follow-up site visits, which found that the majority of the previously identified deficiencies were still outstanding, unresolved, or incomplete, and also identified additional deficiencies.

To properly complete and turn over the PHCs that Parsons had partially constructed, GRD issued a standard operating procedure to "outline as clearly as possible the key items and responsible parties in delivering PHCs to the Iraqi Ministry of Health." According to the standard operating procedure, PHCs will be

provided with modern medical equipment, office equipment, furniture, and three months of medical equipment and consumables. Specifically,

> GRD [Gulf Region Division] will deliver quality, complete, functional Primary Health Clinics to the Ministry of Health as close to schedule and within the allotted budget. "Complete" includes working electrical generators, installed and commissioned medical equipment, and furniture & consumables.

According to GRC Al-Asad Resident Office documentation, the PHC equipment was delivered to the site in February 2008. On July 5, 2008, the U.S. government and the Ministry of Health "acknowledged their acceptance of the implemented construction work" of the Haditha PHC. This acceptance was "based on the final inspection performed by the U.S. Army Corps of Engineers," and the "parties agree the building in its present state is functional, operational and ready for Beneficial Occupancy by the Ministry of Health." The GRD acceptance letter stated that a final inspection was conducted on June 19, 2008, which identified "no new deficiencies IAW [in accordance with] plans, specifications, SOW [Statement of Work] and USACE Quality Control Engineer."

The project file documentation lacked the final inspection report. The limited photographs taken on the day of the final inspection primarily focused on one or two interior rooms in the PHC. The final inspection photographs do not address the significant deficiencies identified in previous inspection visits. In addition, the project file documentation lacked any

Dental chair not installed.

Back-up generator.

documentation to support that the major pieces of equipment, such as generators and transformers, were tested during the final inspection. Consequently, SIGIR could not conclusively determine the status of the PHC at acceptance and turnover to the Ministry of Health. Specifically, the project file lacked documentation to verify that the deficiencies previously identified were corrected.

SIGIR's site visit determined that many of the original deficiencies identified in the pre-final inspection, such as poorly insulated duct work and plumbing issues, were not corrected.

Further, the site visit showed that medical equipment delivered to the PHC was either not connected or not operating. For example, the x-ray equipment was placed in the imaging room but was not hooked up. According to GRD representatives, the "x-ray was installed, but training and electrical connection could not be completed due to an inadequate power supply cable." Until a power supply cable is provided, the x-ray machine will continue to be inoperable. In addition, the dental chair was set in place but not installed. According to the dentist, the chair requires a power connection, water and drain lines, and air and vacuum lines. The GRC Al-

Asad Resident Office representatives stated: "the PVC [polyvinyl chloride] and Copper pipes for the dental room were missing so the dental chair was not completely installed." SIGIR noticed what appeared to be an empty junction box and conduit intended as a utility connection to the dental chair; however, no utilities were installed in the junction box or extended to the conduit. Minor construction will be required to extend the utilities to the conduit, under the floor, and to the chair. A dental x-ray machine was installed in the clinic; however, the administrator stated that until the installation of the dental chair was complete, the x-ray machine could not be used.

Further, there is no reverse osmosis unit for this PHC, which is required to provide clean water to the dentist's office. In addition, the PHC depends on the national grid for its primary power; however, the national grid is unreliable, providing only approximately five hours of electricity per day. Therefore, two generators were included to provide consistent and reliable power to operate the facility when power from the national grid is down. The larger generator has an automatic transfer switch, which turns on the generator once power is lost from the national grid. Any hesitation or delay in transferring

Disconnected utilities.

Pharmacy at Haditha PHC.

power from the national grid to the generator leaves the facility without power, which could result in harm to patients undergoing procedures requiring electrical power. According to the PHC administrator, the larger generator's automatic transfer switch does not work. Due to time limitations at the site, SIGIR was unable to identify the cause of the automatic transfer switch's malfunction.

SIGIR identified other construction deficiencies, such as damaged heating, ventilation, and air-conditioning units; plumbing problems in the bathrooms and the sewer system; and low-quality door hardware.

In spite of the noted deficiencies, SIGIR observed doctors attending to patients and pharmacists dispensing medication.

GRD's Corrective Actions for the Sustainment of Health Projects. GRD is implementing the same corrective actions for PA-08-134 as it is for PA-08-133.

GRD representatives stated that the Haditha PHC is on the list for prioritization of and training on medical equipment, specifically the reverse osmosis unit, dental chairs, and x-ray machine.

Recommendations

SIGIR recommends that the Commanding General of the Gulf Region Division perform all installation of, and training on, the medical equipment currently at the Haditha PHC, according to its prioritization listing.

SIGIR recommends that the Director, Iraq Transition Assistance Office (ITAO), emphasize to the Iraqi Ministry of Health the critical importance of preventative maintenance and training to the Iraqis.

Management Comments

GRD stated the report largely reflected the progress and condition of the project. However, GRD felt one paragraph of the report was misleading. In addition, GRD requested that SIGIR replace all report references to the "U.S. Army Corps of Engineers" or "USACE" with "GRD."

With regards to the recommendations, GRD concurred with the first recommendation and non-concurred with the second recommendation. GRD non-concurred with the second recommendation, which was directed to GRD in the draft of this report, noting that the Joint Campaign Plan, Annex B, Task 1.1.5 identifies the ITAO as the lead U.S. government

Drainage holes along roof edge.

School courtyard.

organization to influence and work with the Government of Iraq to assume full ownership and responsibility for operation and maintenance of U.S. government-funded projects.

Evaluation of Management Comments

GRD's project file contained numerous references to the U.S. Army Corps of Engineers or USACE. In keeping with GRD's request, except in cases of direct quotations from project file documentation, SIGIR replaced all references to the "U.S. Army Corps of Engineers" or "USACE" with "GRD."

With respect to GRD's comment that one paragraph of the report is misleading, GRD stated that deficiencies were corrected throughout the inspection process. SIGIR's stands by the report which states that several deficiencies identified by the GRC Al Asad Resident Office were not corrected prior to turnover to the Ministry of Health. Specifically, the dental chair was not installed and/or connected. A GRD representative stated that the "dental chair was not completely

installed." In addition, the reverse osmosis unit needed to provide clean water for medical or dental procedures was never delivered. Further, according to the PHC administrator, the heating, ventilation, and air condition (HVAC) units have not worked since the facility was turned over. Previous site inspections performed by the GRD Al Asad Resident Office noted one of the HVAC units appeared to be damaged. However, the project file lacked any documentation to indicate whether the unit was tested prior to installation or during commissioning.

In view of the language of the Joint Campaign Plan, Annex B, Task 1.1.5, SIGIR agrees that ITAO is the lead U.S. government organization to influence and work with the Government of Iraq to assume full ownership and responsibility for operation and maintenance of U.S. government funded projects. Therefore, SIGIR redirected the recommendation to ITAO.

Schoolroom debris.

School exterior at time of SIGIR site visit.

Al Iqitadar School, Anbar Province, Iraq
SIGIR PA-08-141

The objective of this project assessment was to determine whether the project was operating at the capacity stated in the original contract. To accomplish the objective, the assessment team determined whether the project was at full capability or capacity when accepted by the U.S. government, when transferred to Iraqi operators, and during the site inspection on September 21, 2008. SIGIR conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The assessment team comprised an engineer/inspector and an auditor/inspector.

Project Objective

The overall objective of the project was to rebuild the Al Iqitadar Secondary School in the Saqlawiyah neighborhood of Anbar province, Iraq, to benefit approximately 300 students.

Conclusions

On November 28, 2007, the U.S. Marines Regimental Combat Team-6, using funding from the Commander's Emergency Response Program, awarded a contract to a local

Al Iqitadar school exterior.

contractor for $200,000. The rebuilding of the Al Iqitadar School project was scheduled for completion within 90 days. The project was turned over to the Iraqis on March 8, 2008. The contract provided for four installment payments of $50,000 each; a final inspection was required before issuing the final payment. According to Multi-National Corps-Iraq (MNC-I) documentation, the project was completed on March 8, 2008,

and no delays were encountered. On March 15, 2008, MNC-I issued a Memorandum for Record, which stated that the local contractor was paid $251,915 for refurbishing the Al Iqitadar School project. Therefore, according to MNC-I documentation, the local contractor received $51,915 more than the original contract and the four invoices showed should have been paid.

The original intent of the Al Iqitadar School project was to rebuild a school that was "destroyed as a result of enemy mortar fire," leaving the area with no school to educate the local children. During the site visit, SIGIR observed that the work completed appeared to meet the Statement of Work requirements, and the facility appeared to be capable of operating as a fully functioning school. At the time of the site visit, however, school was not in session; therefore, SIGIR could not confirm that the school was actually accommodating 300 students. Although the Statement of Work appeared to be adequately developed and detailed to address the needs of the facility, SIGIR observed that the school depends completely on permanent power from the national grid to operate the lights, ceiling fans, and pumps for the water. Because the power from the national grid is unreliable and susceptible to surges, generators should be considered to provide sufficiently reliable power to allow for a more conducive environment for education.

Even though the SOW was well planned, the absence of the requirement for detailed design drawings may result in operation and maintenance problems for the school. For example, electrical and plumbing drawings should have been required—specifically, electrical system one-line diagrams and plumbing plans and details for sanitary sewer systems. These are needed for proper operation and maintenance and future repair and rehabilitation work.

The construction appeared to be adequate and to satisfy the work required by the Statement of Work, except for the air-conditioning units. The contract's Statement of Work clearly required the contractor to "install AC units." During the site visit, SIGIR observed that the air-conditioning units did not appear to have been installed. The project file lacked any documentation to determine whether the air-conditioning units were ever installed at the school.

In addition, the Project Operation and Maintenance Plan—signed by the Ministry of Education manager and Falluja Director General of Schools—required that at the completion of the project, "the facilities are properly maintained." The SIGIR site visit identified that routine maintenance of the facilities was not being done.

Although the site visit identified adequate construction, the lack of reliable permanent power and routine maintenance will ultimately affect the ability of this facility to sustain full-capacity operations over the long term.

Recommendations

SIGIR recommends that the Commander, Multi-National Corps-Iraq and the Commanding Officer, II Marine Expeditionary Force, take these actions:

1. Determine the status of the air-conditioning units and whether the contractor was paid to deliver and install the air-conditioning units.

2. Determine why the contract amount, the status of payments made to the contractor, and the closeout documentation show that an overpayment of $51,915 was made to the local contractor.

Management Comments

MNF-I responded that the Iraqi Director General of Education is in the process of verifying the location of the air-conditioning units. Once the Director General of Education completes the verification process, he will send a status report to the Multi-National Force-West. Multi-National Force-Iraq also verified financial documents confirming that there was no overpayment. The after-action report was simply incorrect in stating the amount as $251,915. This discrepancy has been corrected.

SIGIR's draft report included a third recommendation that detailed design drawings be provided for future similar contracts. MNF-I stated that as-built drawings are important for determining the amount of operations and maintenance funding needed to sustain this project, but stressed that requiring either design drawings or as-built drawings would drive up overall project costs.

Evaluation of Management Comments

Management comments addressed the issues raised in the report. MNF-I's planned actions are responsive and should determine the status of the air-conditioning units. The appropriate corrective actions will be taken once the status of the air-conditioning units is determined.

In view of MNF-I's response that requiring either design drawings or as-built drawings will drive up overall project costs, SIGIR believes that this would reduce the number of rehabilitations possible under the Commander's Emergency Response Program and eliminated the third recommendation.

Al Shurhabil School, Anbar Province, Iraq
SIGIR PA-08-142

The objective of this project assessment was to determine whether the project was operating at the capacity stated in the original contract. To accomplish the objective, the assessment team determined whether the project was at full capability or capacity at three points: when accepted by the U.S. government, when transferred to Iraqi operators, and during the site inspection on September 21, 2008. SIGIR conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The assessment team comprised an engineer/inspector and an auditor/inspector.

Project Objective

The overall objective of the project was to renovate the Al Shurhabil School in the North Saqlawiyah, Al Sheeha community of Anbar province, Iraq, to benefit more than 400 students.

Conclusions

The original intent of the Al Shurhabil School refurbishment project was to renovate a school that was destroyed as a result of combat operations against Al Qaeda in Iraq, leaving the area

Installed air-conditioner mounts without units.

Roof tiles after renovation.

Classroom interior.

Entrance of the Al Shurhabil School.

without a school. During the site visit, SIGIR observed that all of the completed work appeared to meet the requirements of the Statement of Work, and the school appeared capable of operating as a fully functioning school. But school was not in session during the site visit; therefore, SIGIR could not confirm that it was actually accommodating 400 students. The facility did appear to be capable of operating as a fully functioning school. The project was turned over to the Government of Iraq on February 7, 2008. The Statement of Work appeared to be adequately developed and detailed to address the needs of the facility, but the school completely depends on permanent power from the national grid to operate the lights, ceiling fans, and pumps for water. Because the power from the national grid is unreliable and susceptible to surges, generators should be considered to ensure continuous power to allow for a more conducive environment for education.

Even though the Statement of Work was well planned, the absence of the requirement for detailed design drawings may result in operation and maintenance problems for the school. For example, electrical and plumbing drawings should have been required—specifically, electrical system one-line diagrams and plumbing plans and details for sanitary sewer systems, which are needed for proper operation and maintenance and future repair and rehabilitation work.

The construction appeared to be adequate and to satisfy the work required by the Statement of Work, except for the air-conditioning units. During the site visit, SIGIR observed air-

conditioning mounting units, but not the actual air-conditioning units. According to the school's Headmaster, the contract did not call for the delivery and installation of the air-conditioning units; however, this is contradicted by the Statement of Work, which required the contractor to "install AC [air conditioning] units." The project file lacked any documentation to determine whether the air-conditioning units were ever delivered to the school.

In addition, the Project Operation and Maintenance Plan signed by the Ministry of Education manager and Falluja Director General of Schools required that at the completion of the project, "the facilities are properly maintained." During the site visit, SIGIR identified that routine maintenance of the facilities was not being done.

Although the site visit identified adequate construction, the lack of reliable permanent power and routine maintenance will ultimately affect the ability of this facility to sustain full-capacity operations over the long term.

Recommendations

SIGIR recommends that the Commanding General, MNF-I, and the Commanding Officer, U.S. Marines Regimental Combat Team, determine the status of the air-conditioning units—specifically whether the contractor was paid to deliver and install the air-conditioning units.

Management Comments

MNF-I responded that the Iraqi Director General of Education is in the process of verifying the location of the air-conditioning units.

Once the Director General of Education completes the verification process, he will send a status report to the Multi-National Force-West.

SIGIR's draft report included a second recommendation that detailed design drawings be provided for future similar contracts. MNF-I stated that as-built drawings are important for determining the amount of operations and maintenance funding needed to sustain this project, but stressed that requiring either design drawings or as-built drawings would drive up overall project costs.

Evaluation of Management Comments

Management comments addressed the issues raised in the report. MNF-I's planned actions are responsive and should determine the status of the air-conditioning units. The appropriate corrective actions will be taken once the status of the air-conditioning units is determined.

In view of the response by the MNF-I that requiring either design drawings or as-built drawings will drive up overall project costs, SIGIR believes that this would reduce the number of rehabilitations possible under the Commander's Emergency Response Program and eliminated the second recommendation.

Anbar Rule of Law/Judicial Complex, Ramadi, Iraq
SIGIR PA-08-152

The objective of the project was to design and construct the Anbar Rule of Law Complex, which will establish a secure environment in the Anbar province for Iraqi criminal justice officials to enforce the rule of law while being shielded

from attacks and intimidation. This $21.4 million project was funded from multiple sources: the Iraq Relief and Reconstruction Fund, the Iraq Security Forces Fund, and the Iraq Interim Government Fund.

Project Assessment Objective

The objective of this project assessment was to provide real-time information on relief and reconstruction projects to interested parties to enable appropriate action when warranted. Specifically, SIGIR addressed these general questions:

- Were the project components adequately designed prior to construction or installation?
- Did the construction or rehabilitation meet the standards of the design?
- Were the contractor's quality control program and the U.S. government's quality assurance program adequate?
- Was the sustainability of the project addressed?
- Were the project results consistent with the original objectives?

Conclusions

The assessment determined that:
1. The contractor's design was sufficient to renovate the existing facilities and construct new facilities to comprise the entire Anbar Rule of Law Complex. The design submittals included architectural, electrical, mechanical, and plumbing drawings. Design drawings and specifications appeared to be complete and consistent with the requirements of the contract. The design provides enough information and detail for the contractor to

Guardhouse and fence.

Newly installed chandeliers and painted ceiling.

Contractors at work at the Anbar Rule of Law Complex.

Partially completed interior finishing.

Perimeter fencing.

Rule of Law Complex exterior.

renovate and construct the Anbar Rule of Law Complex.

2. During the November 18, 2008, site visit, renovation and construction work was still ongoing. Due to security concerns, the on-site visit was only two hours long. In general, the construction appeared to meet the Statement of Work standards. SIGIR did not observe significant deficiencies or any noticeable defects associated with the quality of workmanship during the site visit. The observed construction work associated with the Anbar Rule of Law Complex appeared to meet the standards of the contract.

3. The contractor's quality control (QC) plan was sufficiently detailed to effectively guide the contractor's quality management program. The contractor submitted a QC plan which, based on SIGIR's review, met the standards addressed in Engineering Regulation 1180-1-6 (*Construction Quality Management*). The QC representatives monitored field activities and completed daily reports, which were reviewed by the U.S. Army Corps of Engineers (USACE) Gulf Region Central (GRC) Ramadi Resident Office project engineer. The QC daily reports presented a brief background on the work activities performed and major equipment on site. The QC representatives supplemented the daily QC reports with detailed photographs that reinforced the information provided in the reports.

The U.S. government quality assurance (QA) program was effective in monitoring the contractor's QC program. The USACE GRC Ramadi Resident Office had dedicated personnel on site. Local Iraqi national QA representatives monitored field activities and completed daily QA reports, which were reviewed by the GRC Ramadi Resident Office project engineer. The daily reports documented the work performed for the day. The QA representatives supplemented the daily QA reports with detailed photographs that reinforced the information provided in the reports.

The single most important aspect of the QA program was the ability of the GRC Ramadi Resident Office project engineer to visit the project site regularly. The project engineer visited the project site 3-4 times per week for approximately 6 hours at a time. The ability to routinely visit the project site gave the project engineer the opportunity to interact with the contractor and mentor the

Contractors pouring molding for future installation.

Rule of Law Complex exterior.

on-site local national QA representatives. For example, in August 2008, the contractor submitted incomplete design drawings. The GRC Ramadi Resident Office project engineer visited the project site to discuss the current status of the designs directly with the contractor. These visits were crucial for correcting the incomplete designs and ultimately led to resolution of the issue.

The GRC Ramadi Resident Office's vigorous QA program is ensuring the successful completion of the Anbar Rule of Law Complex.

4. Sustainability was addressed in the contract requirements. The contract specifications require the contractor to provide and certify warranties in the name of the appropriate ministry for all materials or equipment, including any mechanical, electrical and/or electronic devices, and all operations for one year after final acceptance of the entire project. In addition, the contract required the contractor to conduct site-specific operations and maintenance training appropriate to the facilities and equipment installed, constructed, or rehabilitated in the scope of this project. The contractor must provide operations and maintenance manuals, written in Arabic and English, which include the standard operating procedures for all equipment and systems, standard maintenance procedures, and recommended lists of spare parts for all equipment.

5. To date, the Anbar Rule of Law Complex project results are consistent with the original project objectives. As a result of the renovation and construction, this rule of law complex will establish a secure environment in the Anbar province for Iraqi criminal justice officials to enforce the rule of law while being shielded from attacks and intimidation. Specifically, the renovation portion of this project will provide three separate courthouses for judges to hear cases, a pre-trial detention facility, and facilities for training and office purposes.

Recommendations and Management Comments

Although management comments were not required, the Gulf Region Division reviewed the report and provided additional comments for clarity and accuracy. The final report was revised as appropriate.

Cable tray interior.

View from the substation building.

Ramadi 132-kilovolt Substation, Al Ramadi, Iraq
SIGIR PA-08-153

The objective of the Ramadi 132-kilovolt (kV) Substation project is to provide a complete and fully functional substation compatible with the Ministry of Electricity's transmission system. The substation will be used to convert high-voltage transmission electricity to low-voltage distribution electricity. The total value of this contract is more than $28.7 million from the Iraq Relief and Reconstruction Fund.

Project Assessment Objective

SIGIR conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The assessment team comprised an engineer/inspector and an auditor/inspector. Specifically, SIGIR addressed these general questions:

- Were the project components adequately designed prior to construction or installation?
- Did the construction or rehabilitation meet the standards of the design?
- Were the contractor's quality control program and the U.S. government's quality assurance program adequate?
- Was the sustainability of the project addressed?
- Were the project results consistent with the original objectives?

Conclusions

The assessment determined that:

1. The contract included requirements for project design and specification submittals and approvals, and submission of 30%, 60%, and 90% design submittals with U.S. government review. The contractor provided the required 30% design drawings, but only limited 60% design submittals, and no 90% design submittals. The assessment team reviewed the electronic copies of the submitted 30% and 60% design drawings and specifications that Gulf Region Division reviewed. Based on SIGIR's review of the drawings and specifications, the limited drawings appear to be adequate to construct the electrical substation, and install and commission all associated equipment.

2. During the site visit on November 19, 2008, renovation and construction work was still ongoing. In general, the construction appeared to meet the standards of the Statement of Work. SIGIR did not observe significant deficiencies or any noticeable

Cable trenches leading into substation building.

Exterior perimeter wall.

Transformer bays.

Interior substation ground floor columns and cable trays.

defects associated with the quality of workmanship during its visit to the project site. The observed construction work associated with the Ramadi 132-kV Substation appeared to meet the standards of the contract.

3. The contractor did not provide a quality control (QC) plan to guide the contractor's quality management program. The contractor did submit daily, weekly, and monthly QC reports. The QC reports contained information such as the work accomplished each day, including the location and activity

performed; identification of the workers involved; equipment utilized; and material received on site. However, the contractor did not maintain deficiency logs to document problems noted with construction activities.

The U.S. government's quality assurance (QA) program was effective in monitoring the contractor's QC program. The QA representative maintained a presence at the construction site and provided daily QA reports that contained project-specific information to document construction progress

and highlight deficiencies. The QA representative supplemented the daily reports with detailed photographs that reinforced the narrative information provided in the reports. The U.S. government's QA program was adequate and should ensure the successful completion of the Ramadi 132-kV Substation project.

4. Sustainability requirements under the current contract appear adequate for the operation of the electrical substation. The contract included factory and site-based training for Iraqi Ministry of Electricity operations and maintenance personnel on the primary equipment and systems. The training should allow for a seamless transition on completion of the project. In accordance with the manufacturer's requirements, the Ministry of Electricity personnel will receive the necessary training to ensure sustainment of the operation and maintenance of the substation, thereby providing lasting benefits to the community. In addition, the contract required operations and maintenance manuals for the substation systems and spare parts for maintenance operations.

5. The original contract objective was to provide a substation to convert high-voltage transmission electricity to low-voltage distribution electricity. The Ramadi 132-kV Substation contract, awarded on August 14, 2006, incurred approximately a six-month delay while the Ministry of Electricity decided which site was to be used for the project. The delay resulted in an extension of the project completion date, because the contractor could not access the site until January 27, 2007. When the Ministry of

Electricity settled on a desired substation site, the existing utilities at the selected site required rework to accommodate the new substation. This further delayed the design of the substation because the contractor was delayed in identifying the location of soil to be sampled.

During the installation of the electric equipment, the contractor noticed that the gas-insulated switchgear had a crack in the housing that rendered the equipment unusable. The damaged 132-kV gas-insulated switchgear bays had broken mountings. According to the vendor of the gas-insulated switchgear, rebuilding the units could take as much as 12 months, although the time could be reduced if critical parts were available. The U.S. Army Corps of Engineers stated that different options are being discussed to address this problem. Currently, the project is 88% complete. When this project is finally completed, it should meet and be consistent with the original contract objectives.

Recommendations

SIGIR recommends that the Gulf Region Division of the U.S. Army Corps of Engineers take these actions:
1. Continue efforts to expedite repair of the gas-insulated switchgear.
2. Require the contractor to provide the 90% design submittals.

Management Comments

GRD concurred with recommendation 1, noting that the manufacturer will replace the gas-insulated switchgear units and that the contractor was working expeditiously to obtain

replacements for the three defective GIS units from the manufacturer. GRD agreed that the contractor should provide the 90% design submittals required by the contract and that if GRD concludes that it does not need the 60% drawings, it will process a contract modification. GRD also provided additional comments for clarity and accuracy. The final report was revised as appropriate.

Plumbing Repairs at the Baghdad Police College, Baghdad, Iraq
SIGIR PA-08-154
SIGIR PA-08-155
SIGIR PA-08-156

The objective of the three project assessments was to determine whether the projects were operating at the capacity provided for in their task orders. To accomplish the objective, SIGIR determined whether the projects were operating at full capability or capacity when accepted by the U.S. government, when transferred to Iraqi operators, and during the site inspection on November 25, 2008. SIGIR conducted these limited scope assessments in accordance with the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The assessment team comprised an engineer/inspector and an auditor/inspector.

Project Objective
The overall objective of the projects was to repair and replace latrine facilities in eight cadet barracks built in 2006 at the Baghdad Police College[532] by Parsons Delaware, Inc., under the administration of the Gulf Region Division (GRD) of the U.S. Army Corps of Engineers. The deficient plumbing previously constructed by Parsons Delaware, Inc., and its subcontractors

resulted in contaminated water leaking from the third floor to the second floor and from the second floor to the ground floor. After unsuccessful attempts to repair the plumbing, the decision was made to decommission the bathrooms on the top two floors of the eight cadet barracks to prevent further damage. The deficient plumbing in these buildings was the focus of two previous reports.[533]

These assessments evaluate the current status of the plumbing repairs and additional new construction required to provide latrine facilities for up to 3,200 cadets at the Baghdad Police College. The contract costs for the actions taken to address previously identified plumbing deficiencies in the cadet barracks at the Baghdad Police College totaled $3,182,659.
- Contract FA8903-04-D-8690, Task Order 15, Modification 10, was funded by the Iraq Security Forces Fund.
- Contract FA8903-04-D-8690 Task Order 15, Modification 12, was funded by both the Iraq Security Forces Fund and the Iraq Relief and Reconstruction Fund.

The two newly constructed latrine buildings and plumbing repairs analyzed under these assessments were done as modifications to a then-ongoing contract for other work at the Baghdad Police College by Laguna Construction Company, Inc. Sole-source justification for the contract modifications to Laguna Construction Company, Inc., was made on the basis of their proven success working with the local Iraq subcontractors, the quality of work already done at the site on other ongoing contracts with Air Force Center for Engineering (AFCEE) and the Environment at Baghdad Police College.

Exhaust fans removed from latrine buildings.

Latrine Building B between cadet barracks.

Vandalized shower.

Vandalized toilet.

Latrine Building A.

Water heaters placed between cadet barracks.

Conclusion

The facility was operating at full capability when accepted by the U.S. government and when transferred to Iraqi operators. However, SIGIR inspectors found the latrine facilities to be in a state of disrepair, caused by a combination of vandalism, theft, and a lack of routine maintenance. The contract called for the design and construction of a new one-level latrine facility to accommodate 3,200 men. A work change request further delineated that it would involve the construction of 160 eastern-style toilets in individual stalls, 160 individual shower stalls, and 80 hand-and-foot washing stations in a concrete trough. These proposed quantities are consistent with the Sand Book standards used for the U.S. military, and it was decided that the same standards would be used for the Iraqis. Because the space available for the two new latrine buildings was designed to accommodate only 142 toilets, 121 showers, and 105 hand-and-foot washing stations, a decision was made to install 8 ablution (latrine) trailers near the new latrine buildings to make up the difference. The eight latrine trailers were added in another modification to the contract.

On November 25, 2008, SIGIR inspected representative barracks and confirmed that the plumbing on the first floors had been repaired and was generally in good shape.

The Multi-National Security Transition Command-Iraq (MNSTC-I) and AFCEE executed a successful quality management plan with regular, well-documented, weekly meetings between the contractor's quality control staff and the U.S. government's quality assurance staffs overseeing work at the Baghdad Police College.
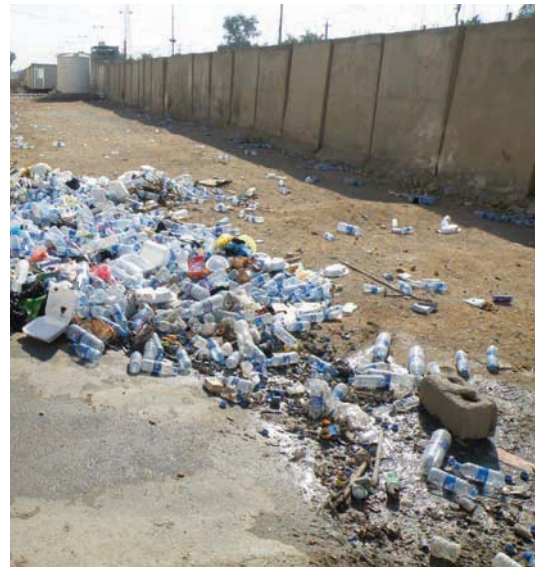
Trash and debris accumulated behind Latrine Building A.

The resulting close and cooperative working relationship ensured that the quality of construction and repair work performed was satisfactory. Oversight of the construction and repair work was maintained, and significant construction problems were avoided.

On May 12, 2008, the new latrine buildings, constructed by Laguna Construction Company, Inc., were turned over to the Government of Iraq (GOI). According to transfer documents, representatives of MNSTC-I and the GOI inspected the latrine buildings and signed turnover documents stating that they had inspected the two latrine buildings and noted only minor deficiencies. Nevertheless, six months later, during a site inspection on November 25, 2008, SIGIR observed significant vandalism; the widespread apparent theft of plumbing, heating, and ventilation equipment; a lack of repairs; and a generally unsatisfactory level of maintenance performed on the latrine buildings.

The GOI did not repair the damage caused by vandalism or replace the items that had been removed by apparent theft. As a result, only portions of the two new latrine buildings and none of the eight latrine trailers appeared usable. The eight latrine trailers were particularly filthy, creating a health hazard.

Although some vandalism has occurred at the facility, MNSTC-I has reported that there are or have been eight major construction projects totaling nearly $128 million, and that these projects are supporting thousands of students in facilities that are fully operational today and are well-utilized by the Iraqi Police Forces.

Actions Taken by the Multi-National Security Transition Command-Iraq. MNSTC-I has implemented a number of appropriate lessons learned on subsequent contracting actions as a result of the experience with the Baghdad Police College:

1. Plumbing is no longer installed in barracks. All plumbing is included in single-story stand-alone latrine buildings. The particularly hard use of institutional buildings, such as barracks, by large numbers of personnel and frequent turnover requires particularly robust plumbing. This is best accommodated in single-story stand-alone latrine buildings that are specifically constructed for rugged use.

2. Separate latrine buildings are constructed for each building or unit occupying a building. When a unit is assigned a building, it takes a proprietary ownership interest, and maintenance reflects the fact that the unit is in control of the building. On the other hand, when multiple units use two latrine buildings, as was the case here, no single unit can take proprietary ownership. In fact, no proprietary ownership was evident.

3. Gravity-fed water systems are used, not water-pressure systems. With gravity-fed water systems, water is pumped up to rooftop storage tanks when electricity is available. Gravity-fed water is then available when power is off, as is frequently the case in Iraq.

Recommendations

This report does not contain any findings or recommendations for corrective action.

Management Comments

Although management comments were not required, the appropriate MNSTC-I representatives reviewed the draft report and provided additional information and informal comments for clarity and accuracy. The final report was revised as appropriate.

Aerial Project Survey Program

The SIGIR Satellite Imagery Group, based in Arlington, Virginia, performs aerial assessments of U.S.-funded reconstruction project sites throughout Iraq. The SIGIR satellite imagery analyst provides current imagery, imagery-based intelligence, and map products to the SIGIR directorates—Inspections, Audits, and Investigations. This program has enabled SIGIR to provide current information on remote site locations and to track construction progress at project sites throughout Iraq.

This quarter, SIGIR conducted imagery analysis of 91 images and created 55 imagery products, using satellite imagery and limited contract information available to SIGIR. The imagery provides visual assessment of progress at reconstruction site locations throughout Iraq. This quarter, the SIGIR imagery analyst assessed

and reviewed projects funded by the IRRF, ESF, ISFF, IIGF, and CERP. For an overview of the imagery products produced this quarter, see Table 4.5.

Imagery support products—including site overviews, project site break-outs, and site assessments—are used to prepare for inspection site visits and to identify possible problems. This quarter, 55 imagery products were produced to assist inspectors with their project assessments

of the 8 sites assessed this quarter and to provide analyses of potential future sites.

In partnership with the National Geospatial-Intelligence Agency and the National Ground Intelligence Center, SIGIR imagery analysis has resulted in 695 cumulative satellite imagery assessments and products. For an overview of the approximate locations of these assessments, see Figure 4.13.

TABLE 4.5

IMAGERY ASSESSED THIS QUARTER

PROJECT TYPE	NUMBER OF PRODUCTS
Ramadi 132-Kilovolt Substation	7
Anbar Rule of Law/Judicial Complex	6
Haditha General Hospital	2
Heet PHC Center	2
Haditha PHC Center	2
FUTURE ASSESSMENTS	
Hai Tiseen PHC Center	6
Shiqaq Hai Musalla PHC Center	5
Berth in the Port of Umm Qasr	4
Iraqi Army HQ Barracks (4th Bs, 10th Infantry Division)	4
Basrah Courthouse Construction	2
Basrah Children's Hospital	2
ADDITIONAL PRODUCTS	
Ramadi—1st Division HQ and BDE Facility	9
Al Waleed Border Fort #1	2
Al Waleed Border Fort #2	2

FIGURE 4.13

AERIAL IMAGERY ASSESSMENTS

● This Quarter
● Other Quarters
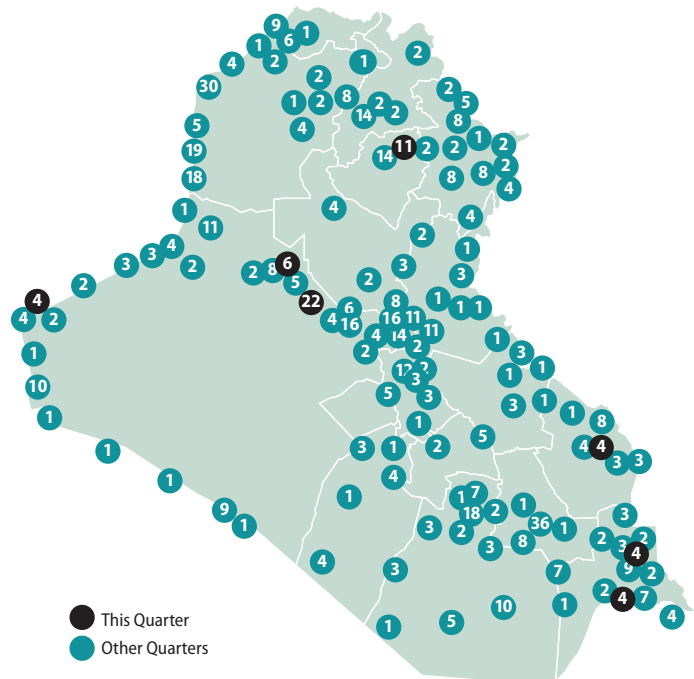
Time-lapse aerial imagery of the Anbar Rule of Law Complex, taken on July 21, 2008, August 7, 2008, and November 26, 2008.
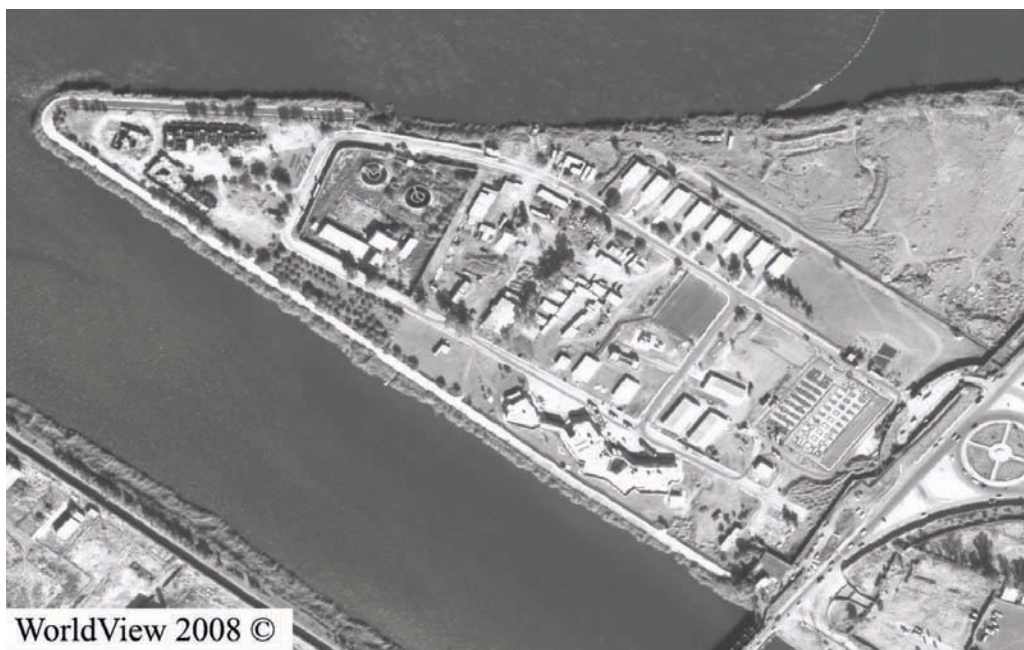
Aerial imagery close-up of the Anbar Rule of Law Complex, taken on November 26, 2008.

Aerial imagery of the Hai Tiseen PHC Center to be assessed in a future project assessment, taken on April 1, 2008.

Provided geo-coordinates

DigitalGlobe 2007 ©
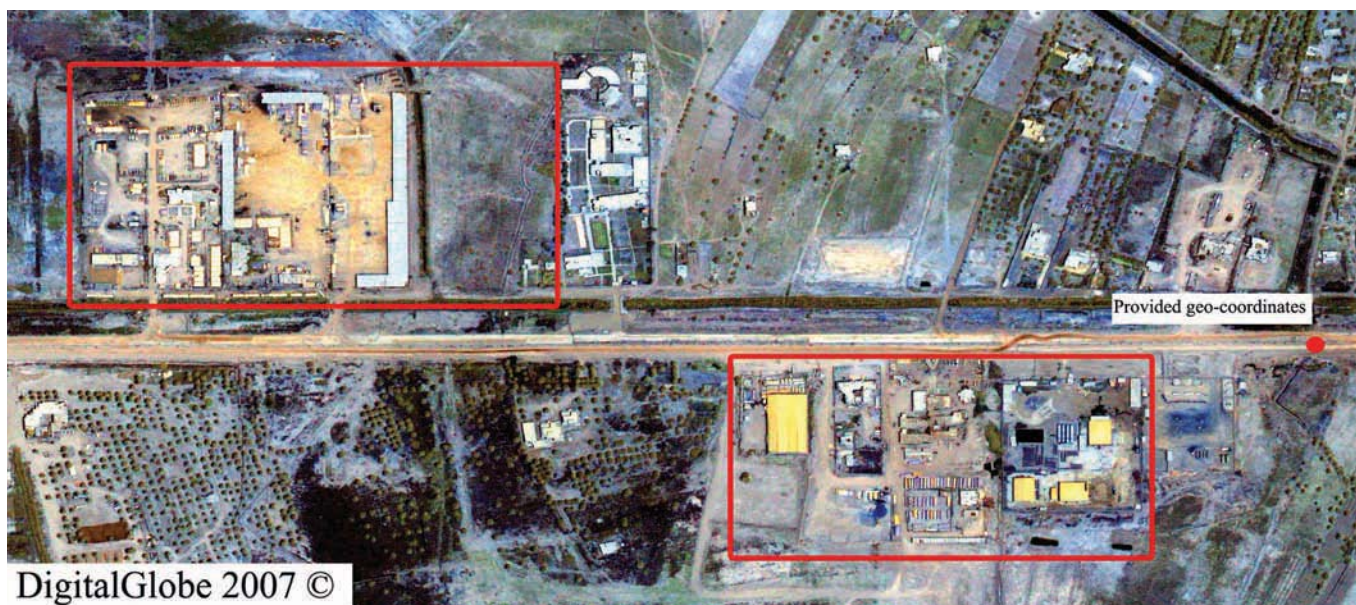
Aerial imagery of the Ramadi 1st Division Headquarters and brigade facility for use in a SIGIR audit report, taken on June 28, 2007.

WorldView 2008 ©

Aerial imagery of the Al Waleed Border Fort #2, taken on June 20, 2008.

WorldView 2008 ©

Aerial imagery of the Al Waleed Border Fort #1, taken on July 24, 2008.

DigitalGlobe 2008 ©

Aerial imagery of the Shiqaq Hai Musalla PHC Center to be assessed in a future project assessment, taken on April 1, 2008.

SIGIR INVESTIGATIONS

SIGIR Investigations continues to pursue allegations of fraud, waste, and abuse in Iraq reconstruction, with 72 open investigations. SIGIR Investigations has 6 personnel assigned to Baghdad, 8 investigators at SIGIR headquarters in Arlington, Virginia, and 13 investigators in offices in Pennsylvania, Maryland, North Carolina, Florida, Texas, Ohio, and Michigan to support investigations in those areas. To date, the work of SIGIR investigators has resulted in 20 arrests, 19 indictments, 14 convictions, and more than $17 million in fines, forfeitures, recoveries, and restitution.

During this quarter, SIGIR notes these investigative activities:

- Two defendants were convicted after a two-month trial that began on September 8, 2008.
- A defendant pleaded guilty to bribery charges.
- Four additional defendants await the scheduling of trial dates, and nine defendants await sentencing.
- Four Coalition partner military officers were arrested as a result of a SIGIR investigation into extortion and bribery involving a contract award process, contract execution, and overall construction management activities associated with projects funded by the Commander's Emergency Response Program initiated and administered by a Coalition partner. The loss to the U.S. government is estimated to be $2.9 million.
- A joint investigation with the Iraqi Economic Crimes Unit, Ministry of Interior, resulted in the issuance of an arrest warrant by the Baghdad Central Criminal Court for an Iraqi citizen who stole more than $360,000 from a U.S. Army Civil Affairs Brigade.
- Demand letters are being issued to three U.S. contractors for the return of $11.3 million of Iraqi funds.
- A retired colonel who had been debarred from DoD contracting was found representing an Iraqi contractor on DoD reconstruction contracts valued at $67 million. SIGIR reporting resulted in his removal.
- SIGIR referred two additional fraud investigations to the Iraq Commission on Integrity for further investigation and prosecution by Iraqi authorities.

For a comprehensive list of convictions, see Table 4.6 at the end of this section.

Legal Actions This Quarter

This quarter, SIGIR continued to conduct a number of significant criminal investigations related to Iraq reconstruction and to work closely with U.S. prosecutors.

Convicted Felon Terminated from Working for an Iraqi Contractor

Quick action by agents from SIGIR and the Defense Criminal Investigative Service (DCIS) identified a convicted felon working for an Iraqi contractor on a $67 million Department of Defense (DoD) contract in Iraq. On March 26, 2007, Robert Grove, a retired U.S. Army colonel working as an employee for a private contractor,

returned to the United States from Iraq and was arrested for concealing approximately $50,000 in U.S. currency that he failed to report on his U.S. Customs declaration. On May 9, 2007, Grove pled guilty to a three-count indictment charging bulk cash smuggling, failure to file a report regarding monetary instrument, and making false statements. On September 17, 2007, he was sentenced to five months in prison, five months house arrest, and two years probation, and was ordered to pay an assessment fee of $300 and a fine of $30,000. On October 30, 2007, Grove was debarred from U.S. government contracting until March 26, 2011.

On November 5, 2008, the court that had convicted and sentenced him gave him authorization to return to Iraq. He returned to Iraq as a consultant for an Iraqi contractor, representing the contractor in meetings with the U. S. Army Corps of Engineers on DoD contracts worth $67 million for reconstruction work in Iraq. During one of the meetings, Grove denied that he was a convicted felon and that he had been debarred. SIGIR and DCIS agents were informed of this meeting and quickly developed information that resulted in Grove being terminated by the Iraqi contractor. Additionally, the Department of Justice is pursuing action to revoke Grove's probation.

Demand Letters Issued for the Return of More than $11 Million in Iraqi Funds

The U.S. Army Corps of Engineers (USACE) is issuing demand letters to three U.S. contractors for the return of Iraqi funds totaling $11.3 million. This investigation originated as a SIGIR Hotline case that alleged overbilling on Restore Iraq Electricity (RIE) contracts. The contractors were all working on a $1.5 billion project to restore the Iraqi electrical infrastructure. The contracts were funded by the Iraq government under the Development Fund for Iraq (DFI), but contract administration rested with USACE.

The investigation disclosed that, before final closeout of the contracts, the Iraqi Minister of Finance directed that all remaining unobligated DFI funds be returned to the Iraqi government. This was to be accomplished by the end of December 2006. To ensure that there would be adequate funds to cover closeout contingencies and avoid returning all unobligated funds to the Iraqi government, USACE officials directed the contractors to submit claims to USACE for $2.4 million, $5.1 million, and $3.8 million, respectively. The contractors complied with the USACE request even though the claims were not justified by any incurred costs. In each case, USACE officials instructed the contractors to bypass the normal procedure of first submitting claims to the Defense Contract Audit Agency (DCAA) for approval and to send invoices directly to USACE for approval and payment.

As part of the investigation, DCAA forensic auditors determined that the contract modifications and voucher submissions did not support any additional payments. The amounts billed on the vouchers in fact represented the amount of funding still available on the contracts.

This investigation was conducted jointly by SIGIR, the U.S. Army Criminal Investigation Command—Major Procurement Fraud Unit (CID-MPFU), and DCIS, with audit assistance from DCAA.

U.S. Army Major Guilty of Accepting $245,000 in Bribes

On January 8, 2009, Christopher H. Murray, a retired U.S. Army major, pled guilty in U.S. District Court in Columbus, Georgia, to a five-count information charging him with four counts of bribery and one count of making a false statement. The charges arise out of his activities as both a contracting specialist and a contracting officer at Camp Arifjan, Kuwait, from 2005 through 2007.

According to the information, in 2005 and 2006, Murray served as a contracting specialist in the small purchases branch of the contracting office at Camp Arifjan, where he was responsible for soliciting bids for military contracts, evaluating the sufficiency of those bids, and then recommending the award of contracts to particular contractors. In this capacity, Murray admitted he received approximately $225,000 in bribes from DoD contractors in exchange for recommending the award of contracts for various goods and services. According to the information, Murray admitted that when he returned to Kuwait in fall 2006 as a contracting officer, he received an additional $20,000 in bribes from a DoD contractor in exchange for the award of a construction contract. When confronted with evidence of his criminal conduct, Murray admitted he made false statements to federal agents investigating this matter.

Murray faces up to 15 years in prison on each bribery count, as well as a criminal fine of $250,000—three times the monetary equivalent of the item of value for each count. Murray also faces up to five years in prison on the false statement charge, as well as a fine of $250,000. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either amount is greater than the statutory maximum fine.

This and the other Camp Arifjan cases are being investigated by SIGIR, CID-MPFU, DCIS, the U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), and the Internal Revenue Service (IRS).

Four Coalition Military Officers Arrested for Corruption Involving U.S.-funded Iraq Contracts

An ongoing joint investigation by SIGIR, military criminal investigative personnel of a Coalition partner, and CID-MPFU has led to the arrest of four army officers from a Coalition country. Because of the sensitivity of the investigation, SIGIR will not identify the Coalition partner involved.

The investigation was initiated by SIGIR based on information gathered during a SIGIR inspection of projects funded by the Commander's Emergency Response Program (CERP) and allegations subsequently received from sources developed during the inspection. A Coalition partner had initiated and administered

these projects; SIGIR investigators developed substantive evidence of bribery, extortion, and contract fraud by the Coalition partner personnel.

Because of the language barrier encountered in investigating the Coalition personnel, SIGIR subsequently sought and obtained assistance from military investigative personnel from the Coalition country and CID-MPFU. SIGIR agents, CID-MPFU agents, and a highly professional team of investigative personnel sent by the Coalition partner then conducted the second phase of the investigation. The investigation is continuing. To date, four Coalition military officers have been arrested and are awaiting military court action in their own country.

This case is being investigated by SIGIR, CID-MPFU, and the Coalition partner's military criminal investigative unit.

U.S. Army Colonel and Lieutenant Colonel Convicted in Federal Trial in Trenton, New Jersey

On November 7, 2008, a federal jury in Trenton, New Jersey, convicted U.S. Army Col. Curtis G. Whiteford and U.S. Army Lt. Col. Michael B. Wheeler of conspiracy to commit bribery and interstate transportation of stolen property. The convictions stemmed from Whiteford's and Wheeler's roles in a scheme involving the theft of millions of dollars from the Coalition Provisional Authority (CPA) in Iraq.

Whiteford and Wheeler were charged in a 25-count indictment, which was unsealed on February 7, 2007. The indictment charged Whiteford, Wheeler, U.S. Army Lt. Col. Debra M. Harrison, and two civilians with various crimes related to a scheme to defraud the CPA-South Central Region (CPA-SC). Whiteford was the second-most senior official and highest ranking military officer at CPA-SC in Hilla, Iraq; Wheeler was an adviser and project officer for CPA reconstruction projects. Whiteford and Wheeler were acquitted of the other charges against them, including bribery and wire fraud. One of the civilians, Harrison's husband, will be tried separately on a yet-to-be-determined date in the District of New Jersey.

According to testimony at trial, Whiteford and Wheeler conspired from December 2003 to December 2005 with at least three others—Robert Stein, at the time the comptroller and funding officer for the CPA-SC; Philip H. Bloom, a U.S. citizen who owned and operated several companies in Iraq and Romania; and U.S. Army Lt. Col. Bruce D. Hopfengardner—to rig the bids on contracts being awarded by the CPA-SC so that more than 20 contracts were awarded to Bloom. In total, Bloom received more than $8.6 million in rigged contracts. Testimony revealed that Bloom, in return, provided Whiteford, Harrison, Wheeler, Stein, Hopfengardner, and others with more than $1 million in cash, SUVs, sports cars, a motorcycle, jewelry, computers, business-class airline tickets, liquor, the promise of future employment with Bloom, and other items of value.

Bloom admitted that he laundered more than $2 million in currency that Whiteford, Harrison,

Bloom–Stein Conspiracy Convictions

Phillip Bloom
Contractor

Robert Stein
CPA Regional
Comptroller

**Lt. Col.
Deborah Harrison**
CPA Official

**Lt. Col. Bruce
Hopfengardner**
CPA Official

**Lt. Col. Michael
Wheeler**
CPA Official

CoL Curtis Whiteford
CPA Official

Steven Merkes
Civilian DoD

Wheeler, Hopfengardner, Stein, and others had stolen from the CPA-SC. This money had been designated for the reconstruction of Iraq. Bloom then used his foreign bank accounts in Iraq, Romania, and Switzerland to send some of the stolen money to Harrison, Stein, Hopfengardner, and other Army officials; in return, they awarded contracts to Bloom and his companies. Some of the stolen money was used to purchase things of value, such as weapons, including a machine gun that was seized from Wheeler's home. Both Bloom and Stein were convicted for their actions and sentenced to prison terms. Lt. Col. Harrison entered a guilty plea on July 28, 2008, and is scheduled to be sentenced on February 11, 2009. Whiteford and Wheeler are scheduled to be sentenced on April 17, 2009, in Trenton, New Jersey.

This case was investigated by SIGIR, IRS, and ICE.

Arrest Warrant Issued for Iraqi Citizen, Based on a Joint SIGIR/Iraqi Investigation

A joint investigation with the Iraqi Economic Crimes Unit (ECU), Ministry of Interior, led to the issuance of an arrest warrant by the Baghdad Central Criminal Court for an Iraqi citizen who allegedly stole $360,732 in Economic Support Fund monies. The cash was the final payment by a U.S. Army Civil Affairs Brigade to an Iraqi construction company for a contract for transportation and parking lot renovations at the Baghdad International Airport. The project engineer who accepted the cash on behalf of the company had recently been released from employment by this company. Rather than turning over the cash to the Iraqi contractor, he absconded with the money.

Photo of new latrine at Ninewa Provincial Police Headquarters.

Al Sumelat water pipeline, Baghdad.

On November 5, 2008, the SIGIR investigating agent testified before the court and signed a criminal complaint against the Iraqi engineer. The court then issued a warrant for the arrest of the individual, which the ECU has been attempting to serve. Other individuals connected to the case may also be charged.

This case is being investigated by SIGIR, CID-MPFU, and the Iraqi Economic Crimes Unit.

Allegations of Fraud Turned Over to the Iraqi Commission on Integrity

SIGIR has referred two cases of fraud involving Iraqi citizens and U.S. reconstruction funds to the Iraqi Commission on Integrity (COI) for further investigation and prosecution of the Iraqis by Iraqi courts. In both cases, SIGIR inspection teams discovered the fraud, and SIGIR investigators followed up.

The first case involves a $743,650 IRRF contract for an 8,830-meter potable water pipeline

from an existing water main to the village of Al Sumelat, with connections, isolation valves, and tee valves. The contractor, a Lebanese company, claimed that the project had been completed. An Iraqi engineer who worked for USACE and monitored the progress of the project also initially claimed that the project had been completed and that the pipeline had been tested. The contractor had already received interim payments of $549,828 and sought the final payment.

A SIGIR inspection team found, however, that only a portion of the work on the pipeline had been completed. The line was in three unconnected segments (with large gaps in between), had not been connected to the main line, and did not have proper connections.[534] The team found no isolation or tee valves, no soil compaction, no sand base material, and sections where there was just an empty ditch.

USACE subsequently terminated the contract and withheld the final payment.

The second case referred to the Commission on Public Integrity involves a $988,178 IRRF contract to design and build new facilities, and repair and refurbish existing facilities at the Ninewa Provincial Police Headquarters. The contractor, an Iraqi company, also claimed that the project had been completed and sought a final payment. USACE had given the contractor an interim payment of $494,098 for half of the contract.

However, a SIGIR inspection team found major deficiencies throughout the project.[535]

Only 53 of 134 air conditioner units called for in the contract had been installed. The existing water supply system was not renovated, and new water tanks, pipes, and a main septic tank had not been installed. The electrical work, tile work, painting, and new construction were inadequate. Probably the most blatant example of fraud was a new latrine, which was supposed to have 10 individual showers, 12 toilets, 10 urinals, 10 sinks, and 1 changing room. Instead, the Iraqi contractor built a latrine with only one shower, one toilet, one sink, and no changing room, and built it around an existing tree.

USACE terminated the contract and withheld the final payment.

SIGIR expects to refer additional cases to Iraqi authorities in the near future.

CASE DEVELOPMENT

SIGIR Audit-Investigation Proactive Initiative

On December 8, 2008, SIGIR announced a new audit initiative to review DoD Appropriation, Obligation, and Expenditure Transaction Data Related to Iraq Relief and Reconstruction (Project No. 9005). This special forensic project will review DoD appropriation, obligation, and expenditure transaction data related to the IRRF for fiscal years 2003-2008. The objective of the project is to examine options for combining automated transaction data and data-mining techniques to review the appropriateness of expenditures for Iraq relief and reconstruction. The forensic audit project could lead to one or more SIGIR follow-on efforts or products, and the initiation of investigations when criminal activity is indicated.

Defense Finance and Accounting Service—Rome, New York

SIGIR continues to support the ongoing Defense Finance and Accounting Service (DFAS) invoice review project in Rome, New York. DCIS launched this proactive project to analyze several billion dollars in payments related to U.S. Army purchases that have supported the war effort in Iraq. To aid in the efficient processing and retrieval of contingency vouchers, DFAS deployed scanners to Iraq and Kuwait to scan new vouchers into a DFAS database.

In addition to the daily scanning of new contingency vouchers and supporting documents, DFAS has begun to scan into the same database all of the historical vouchers related to contingency payments stored at DFAS-Rome. The historical contingency documents comprise about 800,000 vouchers, with a value of approximately $13 billion to $14 billion. The scanning of these documents is expected to be completed by September 2009.

DFAS has provided SIGIR and the other agencies of the International Contract Corruption Task Force (ICCTF) full access to its electronic databases. Data-mining techniques are being used to analyze the documents in the

DFAS database. The DFAS Rome Project is actively providing support to the investigations of the ICCTF and has forwarded several investigative leads to the ICCTF investigative agencies for further action.

SUSPENSION AND DEBARMENT

Since December 2005, SIGIR has worked closely with the Department of Justice, Army Criminal Investigative Command, Defense Criminal Investigative Service, and the Army Legal Service Agency's Procurement Fraud Branch to suspend and debar contractors for fraud or corruption within the Army, including those involving Iraq reconstruction or Army support contracts in Iraq and Afghanistan. These cases arise as the result of criminal indictments filed in federal district courts and allegations of contractor irresponsibility that require fact-based examination by the Army's Suspension and Debarment Official.

In June 2003, DoD designated the Department of the Army as the executive agent for contracting support to the CPA. As a result, the Army's Suspension and Debarment Program leads the effort to ensure the integrity of contractors performing these contracts. The goal of this program is to ensure that these contracts are awarded to, and performed by, contractors who are honest and ethical and who have the ability to successfully perform this important work. The Procurement Fraud Branch has also taken a leading role within the Army and at joint contracting organizations to train contracting officers to aid in the prevention and early detection of contractor fraud in Iraq reconstruction and support contracts.

Since SIGIR's October 2008 Quarterly Report, the Procurement Fraud Branch has suspended one individual based on allegations of fraud and misconduct connected to reconstruction and contractor fraud in Iraq, Kuwait, and Afghanistan, bringing the total suspensions to date to 102. To date, the Army has proposed 69 individuals and companies for debarment, and finalized 41 debarment actions. For a comprehensive list of suspensions and debarments, see Appendix K.

SIGIR OVERSIGHT

Table 4.6

Convictions

Name	Charges	Date of Conviction	Sentence
Maj. Christopher Murray, USA Contracting Officer	Bribery and false statements	1/8/2009	Pending
Maj. Theresa Baker, USAR Contracting Officer	Conspiracy and bribery	12/22/2008	Pending
Col. Curtis Whiteford, USAR Senior Official, CPA-South Central Region	Conspiracy, bribery, and wire fraud	11/7/2008	Pending
Lt. Col. Michael Wheeler, USAR CPA Reconstruction Advisor	Conspiracy, bribery, wire fraud, interstate transportation of stolen property, and bulk cash smuggling	11/7/2008	Pending
David Ramirez Contractor, Readiness Support Management, Inc.	Bulk currency smuggling and structuring transactions	10/9/2008	Pending
Lee Dubois Contractor, Future Services General Trading and Contracting Company	Theft of government property	10/7/2008	Pending
Robert Bennett Contractor, KBR	Violating the Anti-Kickback Act	8/28/2008	Pending
Maj. James Momon, Jr., USA Contracting Officer	Conspiracy and bribery	8/13/2008	Pending
Lt. Col. Debra M. Harrison, USA Acting Comptroller for CPA-South Central Region	Conspiracy, bribery, money laundering, wire fraud, interstate transportation of stolen property, smuggling cash, and preparing false tax returns	7/28/2008	Pending
Maj. John Lee Cockerham, Jr., USA Contracting Officer	Bribery, conspiracy, and money laundering	6/24/2008	Pending
Melissa Cockerham Wife of Maj. John Cockerham	Conspiracy and money laundering	6/24/2008	Pending
Lt. Col. Levonda Selph, USAR Contracting Officer	Conspiracy and bribery	6/10/2008	Pending
Raman International Corp.	Conspiracy and bribery	6/3/2008	$500,000 fine and $327,192 restitution
Michael Carter Project Engineer, Force Protection Industries	Violating the Anti-Kickback Act	1/25/2008	Pending
Capt. Austin Key, USA Contracting Officer	Bribery	12/19/2007	Pending
Maj. John Rivard, USAR Contracting Officer	Bribery, conspiracy, and money laundering	7/23/2007	10 years in prison, 3 years supervised release, $5,000 fine, and $1 million forfeiture order
Kevin Smoot Managing Director, Eagle Global Logistics, Inc.	Violating the Anti-Kickback Act and making false statements	7/20/2007	14 months in prison, 2 years supervised release, $6,000 fine, and $17,964 restitution
Anthony Martin Subcontractor Administrator, KBR	Violating the Anti-Kickback Act	7/13/2007	1 year and 1 day in prison, 2 years supervised release, and $200,504 restitution
Jesse Lane, USAR 223rd Finance Detachment	Conspiracy and honest services wire fraud	6/5/2007	30 months in prison and $323,228 restitution
Steven Merkes DoD Civilian, Operational Support Planner	Accepting illegal gratuities	2/16/2007	12 months and 1 day in prison and $24,000 restitution
Chief Warrant Officer Peleti Peleti, Jr., USA Army's Food Service Advisor for Kuwait, Iraq, and Afghanistan	Bribery and smuggling cash	2/9/2007	28 months in prison and $57,500 fine and forfeiture
Jennifer Anjakos, USAR 223rd Finance Detachment	Conspiracy to commit wire fraud	11/13/2006	3 years probation, $86,557 restitution, and $100 assessment

Continued on the next page

CONVICTIONS

NAME	CHARGES	DATE OF CONVICTION	SENTENCE
Sgt. Lomeli Chavez, USAR 223rd Finance Detachment	Conspiracy to commit wire fraud	11/13/2006	3 years probation, $28,107 restitution, and $100 assessment
Sgt. Derryl Hollier, USAR 223rd Finance Detachment	Conspiracy to commit wire fraud	11/13/2006	3 years probation, $83,657.47 restitution, and $100 assessment
Sgt. Luis Lopez, USAR 223rd Finance Detachment	Conspiracy to commit wire fraud	11/13/2006	3 years probation, $66,865 restitution, and $100 assessment
Bonnie Murphy Contracting Officer	Accepting unlawful gratuities	11/7/2006	1 year supervised release and $1,500 fine
Samir Mahmoud Employee of U.S. construction firm	Making false statements	11/3/2006	1 day credit for time served and 2 years supervised release
Gheevarghese Pappen USACE Civilian	Soliciting and accepting illegal gratuities	10/12/2006	2 years in prison, 1 year supervised release, and $28,900 restitution
Lt. Col. Bruce Hopfengardner, USAR Special Advisor to CPA-South Central Region	Conspiracy, conspiring to commit wire fraud and money laundering, and smuggling currency	8/25/2006	21 months in prison, 3 years supervised release, $200 fine, and $144,500 forfeiture
Faheem Mousa Salam Interpreter, Titan Corp.	Violating the Foreign Corrupt Practices Act's Anti-Bribery Provisions	8/4/2006	3 years in prison, 2 years supervised release, 250 hours community service, and $100 special assessment
Mohammad Shabbir Khan Director of Operations for Kuwait and Iraq, Tamimi Global Co. Ltd.	Violating the Anti-Kickback Act	6/23/2006	51 months in prison, 2 years supervised release, $10,000 fine, $133,860 restitution, and $1,400 assessment
Philip Bloom Owner - Global Business Group, GBG Holdings, and GBG-Logistics Division	Conspiracy, bribery, and money laundering	3/10/2006	46 months in prison, 2 years supervised release, $3.6 million forfeiture, $3.6 million restitution, and $300 special assessment
Stephen Seamans, Subcontracts Manager, KBR	Wire fraud, money laundering, and conspiracy	3/1/2006	12 months and 1 day in prison, 3 years supervised release, $380,130 in restitution, $200 assessment
Christopher Cahill Regional Vice President, Middle East and India, Eagle Global Logistics, Inc.	Major fraud against the United States	2/16/2006	30 months in prison, 2 years supervised release, $10,000 fine, and $100 assessment (a civil settlement with EGL arising from the same facts resulted in a settlement of $4 million)
Robert Stein CPA-South Central Comptroller and Funding Officer	Felon in possession of a firearm, possession of machine guns, bribery, money laundering, and conspiracy	2/2/2006	9 years in prison, 3 years of supervised release, $3.6 million forfeiture, $3.5 million restitution, and $500 special assessment
Glenn Powell Subcontracts Manager, KBR	Major fraud and violating the Anti-Kickback Act	8/1/2005	15 months in prison, 3 years supervised release, $90,973.99 restitution, and $200 assessment

SIGIR HOTLINE

The SIGIR Hotline facilitates the reporting of fraud, waste, abuse, mismanagement, and reprisal in all programs associated with Iraq reconstruction efforts funded by the U.S. taxpayer. Cases received by the SIGIR Hotline that are not related to programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Iraq are transferred to the appropriate entity. The SIGIR Hotline receives walk-in, telephone, mail, fax, and online contacts from people in Iraq, the United States, and throughout the world.

Fourth Quarter Reporting

As of December 31, 2008, the SIGIR Hotline had initiated 699 cases. Of these cases 608 have been closed, and 91 remain open. For a summary of these cases, see Table 4.7.

New Cases

During this reporting period, the SIGIR Hotline received 18 new complaints, bringing the cumulative total to 699 Hotline cases. The new complaints were classified in these categories:
- 6 involved contract fraud.
- 5 involved miscellaneous issues.
- 3 involved personnel issues.
- 4 involved mismanagement.

The SIGIR Hotline receives most reports of perceived instances of fraud, waste, abuse, mismanagement, and reprisal through its website and by electronic mail. SIGIR's 18 new Hotline complaints were received by these means:

TABLE 4.7

Summary of SIGIR Hotline Cases, as of 12/31/2008

Open Cases

Investigations	78
Audits	12
Inspections	1
Total Open	**91**

Closed Cases	1st Qtr 2008	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	Cumulative*
FOIA	0	0	0	0	4
OSC Review	0	0	0	0	2
Assists	1	0	0	0	46
Dismissed	4	3	1	3	123
Referred	10	10	7	11	270
Inspections	0	0	0	0	79
Investigations	1	1	1	2	75
Audits	0	0	0	0	9
Total Closed	**16**	**14**	**9**	**16**	**608**
Cumulative* Open & Closed					**699**

*Cumulative totals cover the period since the SIGIR Hotline began operations—from 3/24/2004 to 12/31/2008.

- 10 by SIGIR website
- 8 by electronic mail

Closed Cases

During this quarter, SIGIR closed 16 Hotline cases:
- 11 were referred to other inspector general agencies.
- 3 were dismissed for being outside of SIGIR's investigative purview.
- 2 were closed by SIGIR Investigations.

Referred Complaints

Following a thorough review, SIGIR referred 11 complaints to outside agencies for proper resolution:
- 4 were sent to the Multi-National Force-Iraq Office of Inspector General.
- 3 were sent to the Department of Defense Office of Inspector General.
- 3 were sent to the Department of State Office of Inspector General.
- 1 was sent to the Joint Contracting Command-Iraq/Afghanistan.

LEGISLATIVE UPDATE

During the bulk of the reporting period, the Congress was in recess or adjournment. It did not consider legislation directly related to SIGIR or to Iraq reconstruction.

This quarter, SIGIR continued to work with the legislative branch's Commission on Wartime Contracting in Iraq and Afghanistan. The Commission has invited the Inspector General to present testimony on SIGIR's lessons learned capping report at the Commission's inaugural hearing in the Senate's Russell Caucus Room on February 2, 2009.

SIGIR has continued to provide its eight oversight committees in the Congress comprehensive audit plans pursuant to section 842 of the National Defense Authorization Act (NDAA) for Fiscal Year 2008. The reports are posted on the SIGIR website: www.sigir.mil.

Under section 1229 of the Fiscal Year 2008 NDAA, SIGIR has continued to assist the Special Inspector General for Afghanistan Reconstruction (SIGAR) by providing human resources and other support as SIGAR establishes its organization in the United States and Afghanistan.

OTHER
AGENCY
OVERSIGHT

SECTION 5

5

INTRODUCTION

In March 2004, SIGIR formed the Iraq Inspectors General Council (IIGC) to provide a forum for discussion of oversight in Iraq and to enhance collaboration and cooperation among the inspectors general (IGs) of the agencies that oversee Iraq reconstruction funds. Representatives of member organizations meet quarterly to exchange details about current and planned audits, identify opportunities for collaboration, and minimize redundancies.

The most recent meeting was held on November 12, 2008, at the SIGIR office in Arlington, Virginia. The following organizations attended the meeting:

- Air Force Audit Agency (AFAA)
- U.S. Central Command Inspector General (CENTCOM IG)
- Defense Contract Audit Agency (DCAA)
- Department of the Army
- Department of Defense Office of Inspector General (DoD OIG)
- Department of State Office of Inspector General (DoS OIG)
- Government Accountability Office (GAO)
- Naval Audit Service (NAVAUDSVC)
- SIGIR
- U.S. Agency for International Development Office of Inspector General (USAID OIG)
- U.S. Army Audit Agency (USAAA)

Each quarter, SIGIR requests updates from member organizations on their completed, ongoing, and planned oversight activities. This section summarizes the audits and investigations reported to SIGIR this quarter by DoD OIG, DoS OIG, USAID OIG, GAO, and USAAA. The AFAA, NAVAUDSVC, Department of Army Operations & Support, and CENTCOM IG are new participants in the IIGC. Because these organizations joined mid-quarter, SIGIR did not request updates from them and will do so after their first full quarter as participants. For DCAA updates, see Appendix M. The U.S. Department of the Treasury and the U.S. Department of Commerce did not complete or initiate any new audits this quarter.

Section 842 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 101-181) requires that SIGIR, in consultation with other inspectors general, develop "a comprehensive plan for a series of audits" of "federal agency contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction functions in Iraq." Following the enactment of section 842, SIGIR has worked closely with the Department of Defense OIG Joint Planning Group—Southwest Asia, which has facilitated the production of the Comprehensive Audit Plan for Southwest Asia. That document, compiled by the relevant IGs (including SIGIR), summarizes ongoing and near-term planned audits for Iraq and the region.

In November 2008, several DoD and federal oversight agencies—including SIGIR, DoD OIG, DoS OIG, USAID OIG, USAAA, NAVAUDSVC, AFAA, and DCAA—presented the FY 2009 update to the Comprehensive Audit Plan for Southwest Asia. The plan provides a comprehensive accounting of the ongoing and planned audits for Southwest Asia, including Iraq, for all IG offices having audit jurisdiction. Participating oversight agencies will continue to coordinate audit plans through existing working groups and councils.

OTHER AGENCY AUDITS

This section updates the audits that IIGC member agencies reported to SIGIR:

- For recently completed oversight report activity, see Table 5.1.
- For ongoing oversight report activity of other U.S. agencies during this reporting period, see Table 5.2.
- For more information on other agency audits, including audit summaries, see Appendix L.
- For a complete historical list of audits and reviews on Iraq reconstruction by all entities, see Appendix M.

Table 5.1

Recently Completed Oversight Reports of Other U.S. Agencies, as of 12/31/2008

Agency	Report Number	Report Date	Report Title
DoD	SPO-2009-002	12/19/2008	Report on the Assessment of Arms, Ammunition, and Explosives Accountability and Control; Security Assistance; and Logistics Sustainment for the Iraq Security Forces
DoD	D-2009-030	12/8/2008	Marine Corps Implementation of the Urgent Universal Need Statement Process for Mine Resistant Ambush Protected Vehicles
DoD	D-2009-027	12/8/2008	Air Force Combat Search and Rescue Helicopter
DoD	D2009-006	10/20/2008	Small Arms Ammunition Fund Management in Support of the Global War on Terror
DoD	D-2009-005	10/10/2008	Controls Over the Contractor Common Access Card Life Cycle
DoD	D-2009-003	10/9/2008	Internal Controls Over Army General Fund, Cash and Other Monetary Assets Held Outside of the Continental United States
DoS	08MERO3004	12/13/2008	Review on the Implementation of Recommendations from the Report of the Secretary of State's Panel on Personal Protective Services in Iraq (commonly known as the Kennedy Report) on Personal Protective Service (WPPS) in Iraq
DoS	07AUD3034	12/2008	Review of Procurement Competition: New Embassy Compound Baghdad
GAO	GAO-09-175	11/14/2008	Unmanned Aircraft Systems: Additional Actions Needed to Improve Management and Integration of DoD Efforts to Support Warfighter Needs
GAO	GAO-09-19	10/1/2008	Contingency Contracting: DoD, State, and USAID Contracts and Contractor Personnel in Iraq and Afghanistan
USAAA	A-2009-0023-ALM	12/16/2008	Time Sensitive Issue—Excess Theater-Provided Equipment Disposition Request Process
USAID	E-267-08-004-P	11/26/2008	Audit of USAID/Iraq's National Capacity Development Program

Table 5.2

Ongoing Oversight Activities of Other U.S. Agencies, as of 12/31/2008

Agency	Project Number	Date Initiated	Project Description
DoD	D2009-D000JA-0108.000	12/23/2008	Information Operations Contracts in Iraq
DoD	D2009-D000AE-0102.000	12/9/2008	DoD Countermine and Improvised Explosive Device Defeat Systems Contracts
DoD	D2009-D000CK-0100.000	12/9/2008	Maintenance and Support of the Mine Resistant Ambush Protected Vehicle
DoD	D2009-D000AS-0061.000	12/4/2008	Resource Consultants Incorporated Task Orders Supporting the Logistics Civil Augmentation Program III
DoD	D2009-D000CF-0095.000	12/1/2008	DoD's Use of Time and Materials Contracts
DoD	D2009-D000AS-0092.000	12/01/2008	Counter Radio-Controlled Improvised Explosive Device Electronic Warfare Program
DoD	D2009-D000FN-0075.000	11/25/2008	Internal Controls Over Naval Special Warfare Command Comptroller Operations in Support of Global War on Terror
DoD	D2009-D000CD-0071.000	11/12/2008	Implementation of Predator/Sky Warrior Acquisition Decision Memorandum Dated May 19, 2008
DoD	D2007-D000FD-0198.001	10/10/2008	Reannouncement of the Audit of Funds Appropriated for Afghanistan and Iraq Processed Through the Foreign Military Sales Trust Fund
DoD	D2009-D0000AE-0007.000	9/29/2008	Army Acquisition Actions in Response to the Threat to Light Tactical Wheeled Vehicles
DoD	D2008-D000AE-0287.000	9/23/2008	Using System Threat Assessments in the Acquisition of Tactical Wheeled Vehicles
DoD	D2008-D000AB-0266.000	9/18/2008	Defense Contract Management Agency Acquisition Workforce for Southwest Asia
DoD	D2008-D000LF-0267.000	9/12/2008	Medical/Surgical Prime Vendor Contracts Supporting Coalition Forces in Iraq and Afghanistan
DoD	D2008-D000FL-0253.000	9/3/2008	Department of the Army Deferred Maintenance on the Bradley Fighting Vehicle as a Result of the Global War on Terror
DoD	D2008-D000JC-0274.000	8/28/2008	Update—Summary Report on Challenges Impacting Operations Iraqi Freedom and Enduring Freedom Reported by Major Oversight Organizations Beginning FY 2003 through FY 2008
DoD	D2008-D000FN-0230.000	8/28/2008	Information Assurance Controls Over the Outside the Continental United States Navy Enterprise Network as related to the Global War on Terror
DoD	D2008-D000LD-0245.000	8/27/2008	Central Issue Facilities
DoD	D2008-D000AS-0270.000	8/25/2008	Transition Planning for the Logistics Civil Augmentation Program IV Contract
DoD	D2008-D00SPO-0271.000	8/19/2008	Accountability of Night Vision Devices Provided to the Security Forces of Iraq
DoD	D2008-D000JA-0263.000	8/14/2008	DoD Testing Requirements for Body Armor
DoD	D2008-D00SPO-0268.000	8/12/2008	Assessment Research on Wounded Warrior Management Processes
DoD	D2008-D000CD-0256.000	8/7/2008	Research on DoD Body Armor Contracts
DoD	D2008-D000JC-0258.000	8/5/2008	Potable and Non-Potable Water in Iraq Update
DoD	D2008-D000FP-0252.000	8/1/2008	Department of the Air Force Military Pay in Support of the Global War on Terror
DoD	D2008-D000AS-0255.000	7/31/2008	Contracts Supporting the DoD Counter Narcoterrorism Program
DoD	D2008-D000AE-0251.000	7/21/2008	Army's Use of Award Fees on Contracts That Support the Global War on Terror
DoD	D2008-D000AE-0247.000	7/18/2008	Rapid Acquisition and Fielding of Materiel Solutions Within the Navy
DoD	D2008-D000AS-0248.000	7/17/2008	Logistics Support for the United States Special Operations Command
DoD	D2008-D000LH-0249.000	7/14/2008	Equipment Repair and Maintenance Contracts for Aircraft and Aircraft Components Supporting Coalition Forces in Iraq and Afghanistan
DoD	D2008-D000LF-0241.000	7/14/2008	Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia
DoD	D2008-D000LH-0250.000	7/14/2008	Selection of Modes for Transporting Materiel in Support of Operations in Iraq and Afghanistan
DoD	D2008-D000LH-0235.000	6/26/08	Contracting for Purchased and Leased Nontactical Vehicles in Support of Operation Iraqi Freedom and Operation Enduring Freedom
DoD	D2008-D000FH-0225.000	6/20/2008	The U.S. Air Force Deferred Maintenance on the C-130 Aircraft as a Result of the Global War on Terror
DoD	D2008-D000CH-0236.000	6/19/2008	The Army Procurements for the High Mobility Multi-Purpose Wheeled Vehicles
DoD	D2008-D000CE-0221.000	6/9/2008	DoD and DoD Contractor Efforts to Prevent Sexual Assault/Harassment Involving Contractor Employees Within Operations Enduring Freedom and Iraqi Freedom Areas of Operation

Continued on next page

Ongoing Oversight Activities of Other U.S. Agencies, as of 12/31/2008

Agency	Project Number	Date Initiated	Project Description
DoD	D2008-D000FC-0208.000	6/9/2008	Controls Over Unliquidated Obligations on Department of the Air Force Contracts Supporting the Global War on Terror
DoD	D2008-D000FJ-0210.000	5/30/2008	Department of the Army Deferred Maintenance on the Abrams Tank Fleet as a Result of the Global War on Terror
DoD	D2008-D000FD-0214.000	5/20/2008	Contracts for Spare Parts for Vehicle-Mounted Small Arms in Support of the Global War on Terror
DoD	D2008-D000FC-0189.000	5/13/2008	Controls Over the Department of the Navy Military Payroll Disbursed in Support of the Global War on Terror
DoD	D2008-D000JC-0203.000	5/12/2008	Assignment and Training of Contracting Officer's Representatives at Joint Contracting Command-Iraq/Afghanistan
DoD	D2008-D000JC-0202.000	5/12/2008	Air Force Contract Augmentation Program in Southwest Asia
DoD	D2008-DIPOE2-0196.000	5/12/2008	Review of Contracting Actions Relating to the Electrocution Death of SSG Ryan Maseth
DoD	D2008-D000AB-0193.000	4/24/2008	Organic Ship Utilization in Support of the Global War on Terror
DoD	D2008-D000CE-0187.000	4/23/2008	Acquisition of Ballistic Glass for the High-Mobility Multipurpose Wheeled Vehicle
DoD	D2008-D000JC-0186.000	4/23/2008	Class III Fuel Procurement and Distribution in Southwest Asia
DoD	D2008-D000CK-0161.000	2/26/2008	War Reserve Materiel Contract
DoD	D2008-D000FP-0132.000	2/25/2008	Internal Controls over Army, General Fund, Cash and Other Monetary Assets Held in Southwest Asia
DoD	2008C003	2/7/2008	Evaluation of DoD Sexual Assault Response in Operations Enduring Freedom and Iraqi Freedom Areas of Operation
DoD	D2008-D000CG-0123.000	2/7/2008	Price Reasonableness for Contracts at U.S. Special Operations Command
DoD	D2007-D000LA-0199.002	1/24/2008	Controls Over the Contractor Common Access Card Life Cycle in Southwest Asia
DoD	D2008-D000FI-0083.000	12/27/2007	Controls over the Reporting of Transportation Costs in Support of the Global War on Terror
DoD	D2008-D000FE-0106.000	12/19/2007	Defense Emergency Response Fund for the Global War on Terror
DoD	D2008-D000LF-0093.000	11/28/2007	Medical Equipment Used To Support Operations in Southwest Asia
DoD	D2008-D000AB-0091.000	11/27/2007	Expeditionary Fire Support System and Internally Transportable Vehicle Programs
DoD	D2008-DIP0AI-0086.000	11/8/2007	Contract Audit Follow-Up Review Related to Iraq Reconstruction Activities
DoD	D2007-DINT01-0092.003	8/31/2007	Audit of the Management of Signals Intelligence Counterterrorism Analysts
DoD	D2007-D000FL-0252.000	8/31/2007	Internal Controls and Data Reliability in the Deployable Disbursing System
DoD	D2007-D000LG-0228.000	8/6/2007	End-Use Monitoring of Defense Articles and Services Transferred to Foreign Customers
DoD	D2007-D000CK-0230.000	7/13/2007	Procurement and Delivery of Joint Service Armor Protected Vehicles
DoD	D2007-D000FD-0198.000	6/19/2007	Funds Appropriated for Afghanistan and Iraq Processed Through the Foreign Military Trust Fund
DoD	D2007-D000CK-0201.000	6/18/2007	Operations and Maintenance Funds Used for Global War on Terror Military Construction Contracts
DoD	D2007-DINT01-0092.001	6/14/2007	Review of Intelligence Resources at the Joint Intelligence Task Force Combating Terrorism and Special Operations Command in Support of Operation Enduring Freedom and Operation Iraqi Freedom
DoD	D2007-D000LD-0129.000	4/13/2007	Marine Corps' Management of the Recovery and Reset Programs
DoD	D2007-D000LC-0051.000	12/14/2006	Hiring Practices Used To Staff the Iraqi Provisional Authorities
DoD	D2006-D000AE-0241.000	8/4/2006	DoD Use of GWOT Supplemental Funding Provided for Procurement and Research, Development, Test and Evaluation
DoS	09MERO3002	11/21/2008	Embassy Baghdad Transition Plan (DoD Downsizing)
DoS	09MERO3003	11/21/2008	Role, Staffing, and Effectiveness of the Regional Embassy Offices (REO) in Iraq
DoS	09-ISP-3014	9/2008	Review of US Policy regarding Oil Contracts in Iraq (Program Evaluation)
DoS	08AUD3023	7/2008	Audit of Contract Administration, Commissioning and Accreditation of the NEC Baghdad
DoS	08MERO3003	6/2008	Review on the Role, Staffing, and Effectiveness of Diplomatic Security in the Management of Personal Protective Services (PPS) in Iraq

Ongoing Oversight Activities of Other U.S. Agencies, as of 12/31/2008

Agency	Project Number	Date Initiated	Project Description
DoS	08MER03005	6/2008	Review of the activities of DynCorp International under the State Department's Worldwide Personal Protective Service Contracts (WPPS) in Iraq
DoS	08MERO3006	6/2008	Review of the activities of Triple Canopy under the State Department's Worldwide Personal Protective Service Contracts (WPPS) in Iraq
DoS	08AUD3016	3/2008	Joint Review of Blackwater Contract for Worldwide Personal Protective Services
GAO	120790	11/20/2008	Contracting in Iraq and Afghanistan
GAO	Not reported	11/2008	Iraq Transition Policy Paper
GAO	Not reported	10/2008	Foreign Military Sales and Other U.S.-Iraq Cost Sharing Arrangements
GAO	351237	9/2008	Readiness of the Army Active/Reserve Component Forces
GAO	351239	9/2008	Readiness of the Active and Reserve Components of the Navy and Marine Corps
GAO	120746	7/2008	V-22 Osprey Cost, Performance, Future Risks and Challenges
GAO	351166	2/2008	Incentives, Compensation, and Medical Care for Deployed Federal Civilians
GAO	351231	6/2008	Joint IED Defeat Organization (JIEDDO) Technology Assessment Management
GAO	351230	6/2008	Joint IED Defeat Organization (JIEDDO) Strategic Management
GAO	351236	6/2008	Urgent Wartime Requirements
GAO	351172	3/2008	Fuel Demand at Forward Locations
GAO	320587	3/2008	Two Capacity Building Programs in Iraq Funded by Economic Support Funds
GAO	351155	1/2008	Analysis of DoD's Fiscal Year 2008 Costs and Funding for the Global War on Terrorism
GAO	320557	12/2007	Iraqi Security Forces and the Transfer of Security Responsibilities
GAO	Not reported	7/2008	U.S. and International Assistance to Iraqi Refugees
GAO	Not reported	12/2008	U.S. and International Assistance to Internally Displaced Persons (IDPs) in Iraq
GAO	351096	10/2007	DoD Plans for Unmanned Aircraft
GAO	351076	8/2007	Body Armor Programs and Testing
GAO	351083	8/2007	Use of Private Security Contractors in Iraq
GAO	351016	3/2007	Joint IED Defeat Organization (JIEDDO) Processes to Coordinate Counter IED Intelligence Support
USAAA	A-2009-ALL-0109.000	11/1/2008	Sensitive Items Accountability and Control, Abu Ghraib (Iraq)
USAAA	A-2008-ALL-0624.002	10/23/2008	Commander's Emergency Response Program (CERP), Multi-National Division - West
USAAA	A-2009-ALC-0093.000	10/20/2008	Logistics Civil Augmentation Program (LOGCAP) III, Contract Close-out
USAAA	A-2008-ALL-0624.001	9/22/2008	Commander's Emergency Response Program (CERP), Multi-National Division - North
USAAA	A-2008-FFF-0081.000	9/10/2008	Unit Training on Defeat Improvised Explosive Devices (IEDs)
USAAA	A-2008-ALM-0690.000	9/4/2008	Assessing Future Base Budget Requirements - Sustaining Program Evaluation Group (PEG)
USAAA	A-2008-ALL-0401.000	9/1/2008	Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan - Salerno & Kabul
USAAA	A-2008-ALO-0741.000	9/1/2008	Assessing Future Base Budget Requirements - Installation Program Evaluation Group (PEG)
USAAA	A-2008-FFS-0669.000	9/1/2008	Assessing Future Base Budget Requirements - Organizing Program Evaluation Group (PEG)
USAAA	A-2008-ALL-0398.000	7/21/2008	Controls over Logistics Civil Augmentation Program (LOGCAP) - White Property
USAAA	A-2008-FFF-0647.000	7/21/2008	Assessing Future Base Budget Requirements - Training Program Evaluation Group (PEG)
USAAA	A-2008-ALL-0403.000	7/7/2008	Housing Contracts - Area Support Group (ASG) - Kuwait
USAAA	A-2008-ALA-0640.000	6/24/2008	Body Armor Testing
USAAA	A-2008-FFM-0630.000	6/24/2008	Assessing Future Base Budget Requirements (Audit Control Point)
USAAA	A-2008-ALL-0633.000	6/18/2008	U.S. Army Corps of Engineers (USACE) Pilot Defense Base Act (DBA) Insurance Program
USAAA	A-2008-ALL-0624.000	6/16/2008	Commander's Emergency Response Program (CERP), Baghdad - Iraq

Ongoing Oversight Activities of Other U.S. Agencies, as of 12/31/2008

Agency	Project Number	Date Initiated	Project Description
USAAA	A-2008-ALL-0625.000	6/9/2008	Follow-up Audit of Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase I)
USAAA	A-2008-ALM-0247.000	6/2/2008	Sustainment of Left Behind Equipment
USAAA	A-2008-ALM-0313.000	5/19/2008	Automatic Reset Items-Depot
USAAA	A-2008-ALA-0498.000	5/12/2008	Assessing Future Base Budget Requirements - Equipping Program Evaluation Group (PEG)
USAAA	A-2008-FFM-0549.000	4/16/2008	Assessing Future Base Budget Requirements - Manning Program Evaluation Group (PEG)
USAAA	A-2008-FFD-0098.000	3/26/2008	Advanced Training for Explosive Ordnance Disposal Soldiers
USAAA	A-2008-ALL-0501.000	3/17/2008	Controls Over Vendor Payments - U.S. Army Contracting Command (USACC), SWA-Kuwait - Phase I
USAAA	A-2008-ALL-0204.000	3/4/2008	Government Property Provided to Contractors - Kuwait Base Operations
USAAA	A-2008-ALL-0466.000	3/3/2008	Follow Up of Offline Purchases
USAAA	A-2008-ALA-0468.000	2/27/2008	Army Authorized Acquisition Objective (AAO) Process
USAAA	A-2008-ALM-0311.000	2/18/2008	Directorate of Logistics (DOL) Workload Supporting Reset
USAAA	A-2008-FFF-0044.000	2/12/2008	Management of the Prepositioned Fleet at Combat Training Centers
USAAA	A-2008-ALM-0312.000	2/8/2008	Automatic Reset Items - Retrograde
USAAA	A-2008-ALL-0318.000	2/4/2008	U.S. Army Corps of Engineer Contract Functions in Iraq, Gulf Region Division (GRD) - Phase I
USAAA	A-2008-ALL-0319.000	1/29/2008	Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan - Balad
USAAA	A-2008-ALL-0320.000	1/28/2008	Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan - Bagram
USAAA	A-2008-ALR-0360.000	1/28/2008	Property Book Unit Supply Enhanced, 10th Mountain Division
USAAA	A-2008-ALR-0307.000	1/14/2008	Property Book Unit Supply Enhanced, 3 Infantry Division (ID)
USAAA	A-2008-ALR-0357.000	1/7/2008	Property Book Unit Supply Enhanced, I Corps
USAAA	A-2008-FFS-0101.000	1/6/2008	Army Reserve Premobilization Training
USAAA	A-2008-FFS-0353.000	1/6/2008	National Guard Premobilization Training
USAAA	A-2008-FFF-0148.000	12/10/2007	Use of Role Players Army-wide (less Combat Training Centers (CTCs))
USAAA	A-2008-ALR-0039.000	12/3/2007	Property Book Unit Supply Enhanced (Audit Control Point)
USAAA	A-2007-ZBI-0344.003	11/5/2007	Army Foreign Language Program - Contracting
USAAA	A-2007-ALL-0887.002	7/26/2007	Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan - Victory
USAAA	A-2007-ALL-0887.001	7/24/2007	Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan - Baghdad
USAAA	A-2007-ALL-0858.001	7/11/2007	Retrograde Operations in Southwest Asia - Kuwait (Rear Support)
USAAA	A-2007-ALA-0978.000	7/2/2007	Impact of Mine Resistant Ambush Protected Vehicle (MRAP) Acquisitions on Other Systems
USAAA	A-2007-ALL-0859.000	6/18/2007	Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase II)
USAAA	A-2007-ALL-0858.000	6/9/2007	Retrograde Operations in Southwest Asia - Kuwait
USAAA	A-2007-ALM-0306.000	4/10/2007	Contracts for Reset
USAAA	A-2007-ALR-0259.001	3/1/2007	Establishing Rates for Shipping Containers
USAAA	A-2007-ALR-0259.002	3/1/2007	Container Detention Billing for the Global War on Terrorism, Military Surface Deployment and Distribution Command
USAAA	A-2007-ALM-0306.002	2/18/2007	Field Level Reset Requirements - Army National Guard
USAAA	A-2007-ALL-0081.005	2/6/2007	Management of Shipping Containers in Southwest Asia - Afghanistan
USAAA	A-2007-FFD-0067.000	1/8/2007	Body Armor Requirements
USAAA	A-2007-ALL-0329.000	10/26/2006	Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase I)

Ongoing Oversight Activities of Other U.S. Agencies, as of 12/31/2008

Agency	Project Number	Date Initiated	Project Description
USAAA	A-2007-ALL-0212.001	10/1/2006	Management and Use of Contractor Acquired Property Under the Logistics Civil Augmentation Program (LOGCAP) Contract - Power Generators
USAAA	A-2007-ALL-0081.000	9/6/2006	Management of Shipping Containers in Southwest Asia - Summary
USAAA	A-2006-ALL-0397.000	6/26/2006	Retrograde Operations in Southwest Asia - Iraq
USAID		4QR/FY 2008	Follow-up Audit of USAID/Iraq's Local Governance
USAID		4QR/FY 2008	Audit of USAID/Iraq's Economic Governance Program II
USAID		4QR/FY 2008	Audit of USAID/Iraq's Oversight of Private Security Contractors in Iraq

OTHER AGENCY INVESTIGATIONS

SIGIR regularly coordinates with other government agencies conducting investigations in Iraq. For statistics of investigative activities from other agencies, see Table 5.3.

TABLE 5.3

Status of Investigative Activities from Other U.S. Agencies, as of 12/31/2008

Agency	Investigators in Iraq	Investigators in Kuwait	Open/Ongoing Cases*
U.S. Army Criminal Investigation Command, Major Procurement Fraud Unit	8	4	96
Defense Criminal Investigative Service	6	2	134
DoS OIG	0	0	4
FBI	4	2	79
USAID	2	0	6
Total	**20**	**8**	**319**

*Numbers include pending cases worked with other agencies within the JOC.

ENDNOTES

1. Agreement Between the United States of America and the Republic of Iraq on the Withdrawal of United States Forces from Iraq and the Organization of Their Activities during Their Temporary Presence in Iraq, http://www.mnf-iraq.com/images/CGs_Messages/security_agreement.pdf, accessed 1/17/2008.
2. MNF-I, response to SIGIR data call, 1/10/2009.
3. Agreement Between the United States of America and the Republic of Iraq on the Withdrawal of United States Forces from Iraq and the Organization of Their Activities during Their Temporary Presence in Iraq, http://www.mnf-iraq.com/images/CGs_Messages/security_agreement.pdf, accessed 1/17/2008.
4. GOI Ministry of Interior Order 31034, 12/30/2008.
5. U.S. Embassy Political Counselor, SIGIR interview, 1/3/2009.
6. U.S. Embassy Political Counselor, SIGIR interview, 1/3/2009.
7. DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 21.This quarter, the number of insurgent attacks dropped to the lowest level in more than four years, with fewer attacks in November 2008 than in any month since spring 2004.
8. MNC-I Commander, Lt. Gen. Lloyd Austin, 12/11/2008.
9. MNC-I, "Sons of Iraq," 12/5/2008.
10. U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009.
11. DoS, *Iraq Weekly Status Report*, 12/31/2008. The four are: the UK, Australia, Romania, and Estonia.
12. This figure is based on appropriations made available for Iraq reconstruction under the following Public Laws: P.L. 108-7, P.L. 108-11, P.L. 108-106, P.L. 108-287, P.L. 109-13, P.L. 109-102, P.L. 109-148, P.L. 109-234, P.L. 110-28, P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149, P.L. 110-161, P.L. 110-252. Obligation and Expenditure data: IRRF 1: USAID, response to SIGIR data call, 1/12/2009; U.S. Treasury, response to SIGIR data call, 1/12/2009; USTDA, response to SIGIR data call, 12/31/2008; DoS, response to SIGIR data call,4/5/2007; DFAS, response to SIGIR data call, 1/9/2008. IRRF 2: ITAO, response to SIGIR data call, 1/12/2009. ISFF: OSD, response to SIGIR data call, 1/16/2009. ESF: DoS, response to SIGIR data call, 10/14/2007; USAID, response to SIGIR data call, 1/8/2009; ITAO, responses to SIGIR data call, 10/2/2008, 10/14/2008, and 1/15/2009; GRD, response to SIGIR data call 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009. CERP: OSD, response to SIGIR data call, 1/12/2009. Other Funding: INL, response to SIGIR data call, 1/16/2009. In some instances this quarter, SIGIR used fourth quarter 2008 data to report on the CERP fund. The decentralized nature of CERP coupled with the inability of the Iraq Reconstruction Management System (IRMS) to interface with the Army accounting system has, in part, delayed CERP reporting. Additionally, DoD agencies responsible for CERP reporting face several challenges every quarter, including: volume of projects, geographic dispersion of reporting units, personnel rotations, and the importance of comprehensive validation reviews.
13. OSD, response to SIGIR data call, 1/12/2009.
14. NEA-I, response to SIGIR data call, 1/5/2009.
15. NEA-I, response to SIGIR data call, 1/5/2008.
16. ITAO, *IRMO Electric Daily Units Performance Report*, 7/1/2007–12/31/2008.
17. DoS, *Iraq Weekly Status Report*, 12/31/2008, p. 17.
18. *Economist* Intelligence Unit, "Country Report: Iraq," 11/2008, p. 5.
19. U.S. Energy Information Administration, "Weekly Iraq Kirkuk Netback Price at U.S. Gulf (Dollars per Barrel),"12/31/2008, www.eia.doe.gov, accessed 1/5/2009.
20. Council of Ministers Budget Proposal for 2009.
21. GOI Deputy Prime Minister, e-mail exchange with SIGIR, 1/6/2009.
22. GOI Minister of Planning and Development Cooperation, SIGIR interview, 11/19/2008.
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510. OPA, *PRT Weekly Summary: 301108-061208,* Thi-Qar.
511. OPA, response to SIGIR data call, Missan, 1/8/2008.
512. OPA, *PRT Weekly Summary: 040109-100109,* Missan, p.18.
513. OPA, *PRT Weekly Summary: 040109-100109,* Missan, p.19.
514. OPA, *PRT Weekly Summary: 301108-061208,* Missan, p.15.
515. OPA, *PRT Weekly Summary: 281208-030109*, Missan.
516. OPA, *PRT Weekly Summary: 301108-061208,* Basrah.
517. OPA, *PRT Weekly Summary: 040109-100109,* Basrah, p. 14.
518. OPA, *PRT Weekly Summary: 301108-061208,* Basrah.
519. OPA, *PRT Weekly Summary: 201208-271208,* Basrah, p. 21.
520. OPA, *PRT Weekly Summary: 201208-271208,* Basrah, p. 21.
521. OPA, *PRT Weekly Summary: 281208-030109*, Basrah.
522. OPA, *PRT Weekly Summary: 040109-100109,* Basrah.
523. OPA, *PRT Weekly Summary: 201208-271208,* Basrah, p. 22.
524. OPA, *PRT Weekly Summary: 040109-100109,* Basrah.
525. OPA, *PRT Weekly Summary: 040109-100109,* Basrah.
526. The contract and task order amounts in this report reflect the obligations incurred rather than expenditures. Additional expenditures will likely occur as the task orders and contract are closed out. Obligations reflect the costs that the government expects to incur on this contract.
527. SIGIR Audit 08-024, "Information on a Special Department of Defense Program to Foster Economic Recovery in Iraq," 7/29/2008.
528. The Department of Defense requested $2 billion for the FY 2009 ISFF. The Congress appropriated a $1 billion "bridge" to the FY 2009 ISFF in Public Law 110-252.
529. SIGIR Audit 08-022, "Government of Iraq Increasingly Funding Iraqi Security Forces Infrastructure Development, but Substantial U.S. Support Remains," 7/26/2008.
530. SIGIR Audit 06-034, "Status of the Provincial Reconstruction Team Program in Iraq," 10/26/2006; SIGIR Audit 07-014, "Status of the Provincial Reconstruction Team Program Expansion in Iraq," 7/25/2007; SIGIR Audit 07-015, "Review of the Effectiveness of the Provincial Reconstruction Team Program in Iraq," 10/18/2007.
531. Formerly referred to as focused financial audits.
532. The Baghdad Police College is also referred to in various documents as the Baghdad Police Academy, Baghdad Public Safety Training Academy, and Baghdad Police Training Academy. For consistency in this report, unless used in a verbatim quotation, SIGIR refers to it as the Baghdad Police College.
533. SIGIR PA-06-078.1 & 079.1, "Quick Reaction Report on the Baghdad Police College, Baghdad, Iraq," 9/2006; SIGIR PA-06-078.2 & 079.2, "Baghdad Police College, Baghdad, Iraq," 1/2007.
534. SIGIR PA-05-004, "Al Sumelat Water Network," 3/15/2006.
535. SIGIR PA-06-72, "Ninewa Police Station Headquarters," 10/10/2006.

Note and Sources for the graphics shown in the insert to this Report:

Note: Numbers affected by rounding.

Sources:

a. Status of U.S. Funds: IRRF 1: USAID, response to SIGIR data call, 1/12/2009; U.S. Treasury, response to SIGIR data call, 1/12/2009; USTDA, response to SIGIR data call, 12/31/2008; DoS, response to SIGIR data call, 4/5/2007; DFAS, response to SIGIR data call, 1/9/2008. IRRF 2: ITAO, response to SIGIR data call, 1/12/2009. ISFF: OSD, response to SIGIR data call, 1/16/2009; ESF: DoS, response to SIGIR data call, 10/14/2007; USAID, response to SIGIR data call, 1/8/2009; ITAO, responses to SIGIR data call, 10/2/2008, 10/14/2008, and 1/15/2009; GRD, response to SIGIR data call 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009. CERP: OSD, response to SIGIR data call, 1/12/2009. Other Funding: INL, response to SIGIR data call, 1/16/2009.

b. Unobligated U.S. Funds: ISFF: OSD, response to SIGIR data call, 1/12/2009. ESF: DoS, response to SIGIR data call, 10/14/2007; USAID, response to SIGIR data call, 1/8/2009; ITAO, responses to SIGIR data call, 10/2/2008, 10/14/2008, and 1/15/2009; GRD, response to SIGIR data call 1/5/2009; ITAO, *Essential Indicators Report*, 1/1/2009. CERP: OSD, response to SIGIR data call, 1/12/2009; P.L. 109-234, P.L. 109-289, P.L. 110-28, P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-161, P.L. 110-252. Figures do not include funds from prior to FY 2007 that have expired.

c. Iraq's 2008 Oil Revenue and Price per Barrel: DoS, Iraq Weekly Status Report, 12/31/2008; U.S. Energy Information Administration, "Weekly Iraq Kirkuk Netback Price at U.S. Gulf, 12/31/2008," www.eia.doe.gov, accessed 1/5/2009.

d. Major Ongoing GRD Infrastructure Projects: GRD, response to SIGIR data call, 1/5/2009; GRD, "Basrah Children's Hospital: Overview and Status Update," 1/5/2009. Photos: GRD, *Essayons Forward*, Vol. 4, Issue 2; DoD, http://www.defenselink.mil/news/briefingslide.aspx?briefingslife=317, 1/13/2009; www.symbion-power.com/experience/sub_farabi.html, 1/13/2009; GRD, *Essayons Forward*, Vol. 5, Issue 2.

e. Timeline of Provincial Iraqi Control: U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.

f. Attacks: OSD, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 1/10/2009.

g. Population: Total number of people residing in the province, as measured by the UN in November 2007. UNOCHA, "Iraq-Population by Governorate," 11/19/2007.

h. Internally Displaced Persons: Number of Iraqis displaced from their homes who have resettled to that province. U.S. Embassy-Baghdad, response to SIGIR data call, 12/31/2008.

i. IRRF Project Costs: Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009. Total project costs for the various funds are as reported in IRMS; they do not represent actual obligations or expenditures.

j. ISFF Project Costs: Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009. Total project costs for the various funds are as reported in IRMS; they do not represent actual obligations or expenditures.

k. ESF Project Costs: Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009. Total project costs for the various funds are as reported in IRMS; they do not represent actual obligations or expenditures.

l. CERP Project Costs: Includes only ongoing and completed projects. Project cost may be different from the cost reported last quarter because the *Global Benchmark* data source was used instead of the *ITAO Rollup*, which is no longer available. Numbers affected by rounding. UNOCHA, "Iraq-Population by Governorate," 11/19/2007. IRMS, *Global Benchmark*, 1/6/2009. Total project costs for the various funds are as reported in IRMS; they do not represent actual obligations or expenditures.

m. I-CERP Projects: Iraq-Commander's Emergency Response Program ($270M) as of January 1, 2009, by province. MNF-I, response to SIGIR data call, 1/14/2009.

n. 2008 Provincial Budget Allocation: YTD September 2008 provincial budget allocation. U.S. Treasury, response to SIGIR data call, 1/9/2009.

o. Provincial Budget % of Expended vs. Allocation: YTD September 2008 provincial budget expended amount versus allocated amount. U.S. Treasury, response to SIGIR data call, 1/9/2009.

p. $ Amount of Awards to Iraqi First Vendors: Iraqi First Program, JCC-I/A, response to SIGIR data call, 1/8/2009.

q. % of Households in the Poorest Income Quintile: UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008.

r. Avg. Daily Electricity Load Served for Quarter: The average number of MWhs used per day to satisfy the load served, as estimated by the Ministry of Electricity and reported by ITAO. ITAO, *IRMO Electric Daily Units Performance Report*, 10/1/2008-12/31/2008.

s. Estimated Avg. Daily Demand for Quarter: The average number of MWhs demanded, as estimated by the Ministry of Electricity and reported by ITAO. ITAO, *IRMO Electric Daily Units Performance Report*, 10/1/2008-12/31/2008.

t. % of People with Access to Water: Iraqis with continuous access to potable water in each province. UN, "Comprehensive Food Security and Vulnerability Analysis in Iraq," 11/12/2008.

u. Community Action Program (CAP) Projects: Total number of ongoing CAP projects funded by the ESF and implemented by USAID. Projects aim to strengthen links between the Iraqi government and local communities by facilitating community coordination with local and provincial governments. USAID, response to SIGIR data call, 12/31/2008.

v.   Value of CAP Projects: Total value of ongoing U.S.-funded CAP projects. USAID, response to SIGIR data call, 12/31/2008. Projects aim to strengthen links between the Iraqi government and local communities by facilitating community coordination with local and provincial governments.

w.   Total PRDC Budgeted: The total amounts budgeted for each province in PRT/PRDC program funds, for both the FY 2006 and FY 2007 Supplemental appropriations. OPA, response to SIGIR data call, 1/6/2009.

x.   % of PRDC Budgeted Awarded: PRDC award amounts as a percentage of PRDC budgeted amounts. OPA, response to SIGIR data call, 1/6/2009.

y.   Total Attacks (7/1/2008-9/30/2008): Total number of attacks occurring in the province 7/1/2008-9/30/2008. OSD, response to SIGIR data call, 10/6/2008.

z.   Total Attacks (10/1/2008-12/31/2008): Total number of attacks occurring in the province 10/1/2008-12/31/2008. CENTCOM, response to SIGIR data call, 1/10/2009.

aa.   Provincial Iraqi Control: Date of transfer of security authority to the Iraqis. U.S. Embassy-Baghdad, response to SIGIR data call, 1/5/2009; DoD, *Measuring Stability and Security in Iraq*, 12/30/2008, p. 29.

ACRONYMS AND DEFINITIONS

This section contains all of the abbreviations and acronyms found in the SIGIR Quarterly and Semiannual Report to the Congress.

ACRONYM	DEFINITION
ACCO	Anticorruption Coordination Office
AES	Agriculture Extension Service
ARFORGEN	Army Force Generation
BACC	Baghdad Area Control Center
BCT	Brigade Combat Team
BRCC	Balad Regional Contracting Center
BSA	Board of Supreme Audit
CAP	Community Action Program
CBI	Central Bank of Iraq
CCC-I	Central Criminal Court of Iraq
CDMA	Code Division Multiple Access
CENTCOM	U.S. Central Command
CERP	Commander's Emergency Response Program
CETI	Coordinator for Economic Transition in Iraq
CHF	Cooperative Housing Foundation
CIBA	Central Iraqi Beekeepers Association
CMM	Capability Maturity Model
CoI	Commission on Integrity (previously known as Commission on Public Integrity)
COMA	Cash and Other Monetary Assets
CoR	Council of Representatives
COR	Contracting Officer Representative
CPA	Coalition Provisional Authority
CREW	Counter Radio-Controlled Improvised Explosive Device Electronic Warfare
CSP	Community Stabilization Program
CY	Calendar Year
DAD	Development Assistance Database
DE&S	Office of Defence Equipment and Support
DFAS	Defense Finance and Accounting Service
DFI	Development Fund for Iraq
DoD	Department of Defense
DoL	Department of Labor
DoS	Department of State
DoS OIG	Department of State Office of Inspector General
ECU	Economic Crimes Unit
EEC	Electoral Education Campaign
EEM	Electoral Education Manual

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ACRONYM	DEFINITION
EFC	Energy Fusion Cell
EHC	Expanded Healthcare Center
EITI	Extractive Industries Transparency Initiative
ePRT	Embedded Provincial Reconstruction Team
ESF	Economic Support Fund
FBI	Federal Bureau of Investigation
FMS	Foreign Military Sales
FOB	Forward Operating Base
FY	Fiscal Year
GAO	Government Accountability Office
GAPTIS	Governorates Accounting and Project Tracking Information System
GIS	Geographic Information System
GOI	Government of Iraq
GRD	Gulf Region Division
HJC	Higher Judicial Council
HMMWV	High Mobility Multi-Purpose Wheeled Vehicle
IAER	Iraq Agricultural Extension Revitalization Project
IAMB	International Advisory and Monitoring Board
ICBG	Iraq Company for Bank Guarantees
ICCM	Iraq Community-based Conflict Mitigation
I-CERP	Iraq-Commander's Emergency Response Program
ID	Iraqi Dinar
IDP	Internally Displaced Person
IG	Inspector General
IHCHR	Independent High Commission for Human Rights
IHEC	Independent High Electoral Commission
IMF	International Monetary Fund
INL	Bureau of International Narcotics and Law Enforcement Affairs (DoS)
INOC	Iraq National Oil Company
IRAP	Iraq Rapid Assistance Program
IRFFI	International Reconstruction Fund Facility for Iraq
IRI	International Republican Institute
IRMS	Iraq Reconstruction Management System
IRRF	Iraq Relief and Reconstruction Fund
IRRF 1	Iraq Relief and Reconstruction Fund
IRRF 2	Iraq Relief and Reconstruction Fund
ISCI	Islamic Supreme Council of Iraq
ISF	Iraqi Security Forces
ISFF	Iraq Security Forces Fund
ISOF	Iraqi Special Operations Forces
ISP	Infrastructure Security Protection
ISX	Iraq Stock Exchange
ITAO	Iraq Transition Assistance Office
JAAC	Joint Anti-Corruption Council
JCC-I/A	Joint Contracting Command-Iraq/Afghanistan

Acronym	Definition
KBA	Kurdistan Bar Association
km	Kilometer
KRG	Kurdistan Regional Government
kV	Kilovolt
LAOTF	Law and Order Task Force
LGP	Local Governance Program
LOR	Letter of Request
MAT	Munitions Assessment Team
MBPD	Million Barrels Per Day
MCCDC	Marine Corps Combat Development Command
MCTF	Major Crimes Task Force
MFI	Microfinance Institution
MMPW	Ministry of Municipalities and Public Works
MNC-I	Multi-National Corps-Iraq
MNF-I	Multi-National Force-Iraq
MNSTC-I	Multi-National Security Transition Command-Iraq
MOA	Ministry of Agriculture
MOC	Ministry of Communications
MOD	Ministry of Defense
MOE	Ministry of Electricity
MOF	Ministry of Finance
MOH	Ministry of Health
MOI	Ministry of Interior
MOLSA	Ministry of Labor and Social Affairs
MOPDC	Ministry of Planning and Development Cooperation
MOT	Ministry of Transportation
MRAP	Mine-Resistant Ambush Protected
MSME	Micro-Small-Medium Enterprise
MW	Megawatt
MWh	Megawatt-hour
MWR	Ministry of Water Resources
NCD	National Capacity Development
NCO	Non-commissioned Officer
NDAA	Duncan Hunter National Defense Authorization Act for Fiscal Year 2009
NDI	National Democratic Institute
NEA-I	Bureau of Near Eastern Affairs-Iraq (DoS)
NEEP	National Electoral Education Plan
NGO	Non-governmental Organization
NVD	Night Vision Device
OFDA	Office of U.S. B211Foreign Disaster Assistance
OMB	Office of Management and Budget
OMS	Operations, Maintenance, and Sustainment
ONE-NET	Outside the Continental United States Navy Enterprise Network
OPA	Office of Provincial Affairs
OTA	Office of Transportation Attaché

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Acronym	Definition
P.L.	Public Law
PC	Provincial Council
PDS	Public Distribution System
PEG	Provincial Economic Growth
PEZ	Pipeline Exclusion Zone
PFMAG	Public Financial Management Action Group
PHC	Primary Healthcare Center
PIC	Provincial Iraqi Control
PRDC	Provincial Reconstruction Development Council
PRT	Provincial Reconstruction Team
PSC	Private Security Contractor
PST	Provincial Support Team
QRF	Quick Response Fund
QRF-S	Quick Response Fund-State
RAC	Returnee Assistance Center
ROL	Rule of Law
RSSS	Reconstruction Security Support Services
SA	Security Agreement
SAO	Security Advisory Opinion
SBA	Stand-By Arrangement (IMF)
SERP	South Export Redundancy Project
SIGIR	Special Inspector General for Iraq Reconstruction
SOE	State-owned Enterprise
SOI	Sons of Iraq
TAC	TransAtlantic Program Center
TF-BSO	Task Force to Improve Business and Stability Operation
Treasury	U.S. Department of Treasury
UN	United Nations
UNAMI	UN Assistance Mission for Iraq
UNCAC	United Nations Convention Against Corruption
UNDG ITF	United Nations Development Group Iraq Trust Fund
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
UNSCR	United Nations Security Council Resolution
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USD	U.S. Dollar
USRAP	U.S. Refugee Admissions Program
USTDA	U.S. Trade and Development Agency
UUNS	Urgent Universal Need Statement
WGI	Washington Group International
WHO	World Health Organization

QUARTERLY REPORT APPENDICES

The appendices for this Quarterly Report are not included in the print version of the publication. They are published on the SIGIR website at www.sigir.mil.

Appendix A cross-references the pages of this Report to SIGIR's statutory reporting requirements under Section 3001 of P.L. 108-106, as amended, and the Inspector General Act of 1978, as amended.

Appendix B summarizes the financial and non-financial impacts of SIGIR's work.

Appendix C cross-references budget terms associated with the Iraq Relief and Reconstruction Fund (IRRF), Iraq Security Forces Fund (ISFF), Economic Support Fund (ESF), Commander's Emergency Response program (CERP), and international support for Iraq reconstruction.

Appendix D provides a cross-reference of how SIGIR categorizes projects and programs of various U.S. government agencies within SIGIR-defined sectors.

Appendix E provides information on the background and history of each of the four main U.S. funding accounts related to Iraq reconstruction.

Appendix F reports on the status of seized and vested Iraqi funds, as well as funds in the Development Fund for Iraq, used for reconstruction.

Appendix G reports on international contributions to the Iraq reconstruction effort.

Appendix H presents a listing of completed SIGIR audits, significant open recommendations from prior audits, and information on financial and non-financial impacts of SIGIR audits.

Appendix I contains a list of SIGIR's completed inspections of Iraq reconstruction activities.

Appendix J summarizes all convictions that have resulted from SIGIR investigations.

Appendix K contains a comprehensive list of suspensions and debarments resulting from those investigations.

Appendix L provides summaries of completed and ongoing audits and reviews by other U.S government agencies of Iraq reconstruction programs and activities.

Appendix M contains a list of completed audits, reports, and testimonies on Iraq reconstruction activities released by SIGIR and other U.S. government audit agencies.

SIGIR's previous Quarterly and Semiannual Reports included an appendix detailing the apportionments of Iraq Relief and Reconstruction Fund allocations of funds by agency. That appendix is no longer included because authority to obligate IRRF funds expired in September 2008.